

## NEWS SUMMARY

### GENERAL

#### Fear for ship repair jobs

British shipbuilders told shipbuilding unions yesterday that about 1,400 jobs are at risk in the repair division because a vital order has almost certainly been lost.

The orders for repair work to six ships for U.S. Depts. will almost certainly not be placed following the sale of the company to Crowley Maritime another U.S. company. If the order had been won, there would have been 900 lay-offs. The company is to meet ship stewards tomorrow.

#### Polish deaths

Two demonstrators were killed and 12 injured when Polish security forces fired into a crowd on Tuesday at Lubin, Western Poland. Up to 700 people throughout the country demonstrated in support of the Solidarity union, officials said. Back Page

#### Thatcher jeered

The Prime Minister Margaret Thatcher faced a crowd of jeering demonstrators outside a Glasgow hotel before meeting trade union leaders. Police arrested a Labour MP who approached her shouting and waving him arms.

#### Schmidt attack

West German Chancellor Helmut Schmidt yesterday challenged the liberal Free Democrats to tell him to his face if they wanted to desert the ruling coalition. Page 2

#### PLO to fight on

The PLO will continue to struggle for an independent state by all methods, its leader Yasser Arafat said on arriving in Greece from Beirut. He is due to go to Tunisia or Morocco.

#### Inquest verdict

A coroner recorded a natural causes verdict on Mrs Lesley Watson from Hartlepool who died in a police van during a strike by ambulance men. NHS strike Page 7

#### Expulsion threat

The 30 ambulancemen in Derbyshire who defied an 11-day strike by their colleagues have been sent to Coventry by their union Nupe and face expulsion later this month. Page 7

#### N. Ireland cost

Policing Northern Ireland this year is expected to cost nearly £200m, the Royal Ulster Constabulary said. Two policemen were hurt, one seriously, following further violence in Londonderry.

#### Greek 'torture'

A UK Euro-MP is to urge the Greek Government to reopen the case of Christine Pitcher, a Briton in jail without trial on drug charges since January, who says Greek police tortured her.

#### Socialist pledge

Spain's Socialist Party, tipped to win next month's election, said it would demand changes in the U.S.-Spanish defence pact signed in June.

#### Immunise call

The number of whooping cough cases rose to 1,941 last week. Health Secretary Norman Fowler urged parents to immunise their children.

#### Briefly...

Wladyslaw Gomulka, former Polish leader, died aged 77. Obituary, Page 5  
A victory parade and banquet for the Falklands war will be held in London on October 12. Iran executed 12 people in the past week, a Tehran newspaper reported.

## CHIEF PRICE CHANGES YESTERDAY

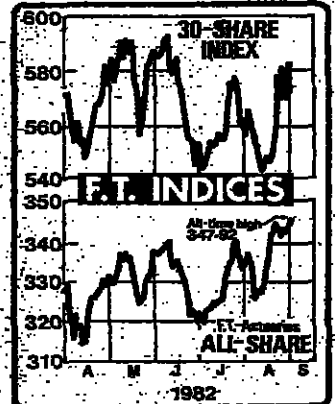
(Prices in pence unless otherwise indicated)

RISERS	
Bat Inds	510 + 22
Babcock Intl	120 + 6
Bancays Bank	368 + 12
Diploma	297 + 21
Gill and Duffus	127 + 10
GUS A	533 + 13
GRE	312 + 10
Hoeletat	83 + 8
Home Chem	196 + 8
ICI	252 + 18
Irishville House	403 + 18
Midland Bank	312 + 8
Ocean Transport	87 + 8
Rackitt and Colman	320 + 10
Siege German	217 + 9
Standard Chartered	355 + 16
Vickers	143 + 3
BP	302 + 6
LASMO	375 + 15
Shell Trans.	412 + 8
Corn Plants Writs	165 + 14
Ayer Hittau	185 + 15
Berjunta	130 + 10
Doornfontein	110 + 5
Gopeng Cons	285 + 20
Sungei Besi	158 + 20
Tronoh	155 + 15
FALLS	
English China Clays	145 - 9
Marchwell	138 - 9
Sun Alliance	750 - 10
European Cement	280 - 20
Janburg Cons	244 - 14
RTZ	430 - 8

### BUSINESS

#### Equities add 8.9; gilts up by 0.45

EQUITIES gained through the day. The FT 30-share index added 8.9 to 581.6. The FT-100 index added 10.8 to 3,479.2. Page 25



Actuals all-share index rose 1.3 per cent to an all-time high of 347.92. Page 25

GILTS revived from recent losses. The Government Securities Index put on 0.45 to 77.88. Page 25

DOLLAR fell to DM 2.491 (DM 2.501), FFfr 6.9825 (FFfr 7.0235), SwFr 2.121 (SwFr 2.1335) and Y258.9 (Y261.475). Its trade weighted index was 121.5 (121.7). Page 25

STERLING rose 40 points to 81.721. But it slipped to DM 4.29 (DM 4.2825), FFfr 12.015 (FFfr 12.06) and SwFr 3.6525 (SwFr 3.6625). Its trade weighted index was 91.6 (91.4). Page 28

GOLD fell \$11 to \$402.5 in London. In New York the Comex September close was \$403.3 (\$408.6). Page 20

WALL STREET was down 5.80 to 355.51 near the close. Page 23

SPANISH share values fell for the second day running in a selling wave prompted by the prospect of a general election on October 28. Page 2; Page 24

FRENCH BUDGET featured tight control of public expenditure. Back Page; Editorial Comment, Page 14

U.S. and Switzerland signed an agreement which will allow U.S. officials access to secret Swiss bank accounts during insider dealing investigations. Back Page

UK GOVERNMENT has decided to ignore calls by London bankers for an early lifting of economic sanctions against Argentina. Page 4

DEUTSCHE BP, West German subsidiary of British Petroleum, has concluded the group's first long-term crude oil supply contract with Saudi Arabia. Page 4

WEST GERMAN Government agreed to put up a loan guarantee of up to DM 1.1bn (£258m) for AEG-Telefunken. Page 2

BIOTECHNOLOGY Investments set up last year by N. M. Rothchild, invested only about one-third of its funds in its first 12 months. Page 6

SUN ALLIANCE Insurance half-year underwriting losses rose to £49.9m (£3.6m). Guardian Royal Exchange reached £40.4m (£21.8m) and Phoenix Assurance £27.3m (£13m). Back Page and Lex; Details, Page 16

MINI HOLDINGS, Australian base metal mining group, reported a net loss of A\$10.37m (£5.5m) for the year to June 30, against a profit of A\$106.37m. Page 18

BABCOCK International, engineering and contracting group, lifted taxable profits from £3.44m to £8.27m for the half-year to July 4. Page 19; Lex, Back Page

# Big deficiency found in assets of Alexander Howden

BY JOHN MOORE, CITY CORRESPONDENT

THE WORLD'S second largest insurance broker, Alexander & Alexander Services of the U.S. has discovered a multi-million dollar deficiency in the assets of its British subsidiary, Alexander Howden Group. The U.S. group disclosed yesterday that it would need to transfer up to \$25m (£14.6m) to Howden's insurance company, Sphere Drake.

In one of the biggest upsets for years in insurance markets in the U.S. and the UK, Alexander & Alexander, one of the top five producers of Lloyd's insurance business, said yesterday that the appropriate regulatory authorities had been notified on both sides of the Atlantic. In addition "various legal remedies and insurance claims are being considered."

Alexander & Alexander has discovered irregular accounting practices and business transactions. It has found that Alexander Howden arranged "reinsurance transactions with companies which were owned and controlled on an undisclosed basis by four persons who have now ceased to be directors or officers of Howden."

Howden is a leading reinsurance broker, arranging insurance protection for other insurance interests. In addition it has a number of insurance

companies in its empire which has more than 200 subsidiaries or associate companies. It also has extensive Lloyd's of London interests, as an approved Lloyd's insurance broker and is the manager of 17 underwriting syndicates at Lloyd's. It manages the largest marine insurance syndicate, number 127, which has more than 3,000 members of Lloyd's participating in its business.

Howden reinsures large parts of the business of syndicate 127 with its own insurance interests. It is understood that one of the companies involved in the reinsurance programme of syndicate 127 was Southern International Real Estate based in Panama, in which four Alexander Howden senior employees held shares "on an undisclosed basis."

It is understood that Mr Ian Pogata, the star underwriter of Alexander Howden Group, has insisted that all outstanding obligations of Southern International should be transferred to Sphere Drake. So far it is believed that Southern has paid up to \$8m in reinsurance claims made against it by syndicate 127 on computer leasing insurance business.

Alexander & Alexander said that existing reinsurance transactions with the groups

# Mexico nationalises private banks

By William Chislett in Mexico City and Peter Montagnon in London

MEXICO'S President, Jose Lopez Portillo yesterday decreed the nationalisation of the private Mexican banking system and imposed total exchange controls in a drastic move to end currency speculation which has left the country on the verge of bankruptcy.

Mexico's two largest private sector banks control nearly half the country's \$62bn (£36.5bn) total banking market. At June 30 Banco Nacional de Mexico had total assets of \$14.4bn and net worth of \$421m at the then prevailing exchange rate of pesos 46 per dollar.

The second largest bank, Bancomer, had total assets of \$14.1bn and net worth of \$412m. Other banks are much smaller — the third largest private bank, Banca Serria, had total assets of \$6bn and net worth of \$147m.

The nationalisation move surprised the country's business community. The Stock Exchange was closed yesterday for a national holiday, however the market is expected to be thrown into disarray today when it is reopened.

The President, giving his last state of the nation address, before handing over to president-elect Miguel de la Madrid on December 1, said the country's "critical" situation made the nationalisation necessary.

"It is now or never," he said. "They (referring to the banks) have looted us. Mexico is not again. They will not loot us again."

Mr Lopez Portillo blamed the private banks for subordinating the nation's interests to those of their own and accused them of fomenting and providing mechanisms for the massive outflow of capital.

The President's strong words underscored the size of Mexico's economic crisis, which has been caused by capital flight, the crippling burden of servicing a total external debt of \$80bn, and falling oil revenues.

The President made it clear that shareholders in the banks would be "justly" compensated and that investors' deposits in the banks would not be seized.

Observers said the Government had been forced into creating an airtight system to avoid further outflows of capital and was convinced this was only possible through the nationalisation of the banks and extending exchange controls.

Mr Lopez Portillo said his Government had good reason to believe that Mexicans held at least \$14bn in U.S. bank accounts and that they owned

Continued on Back Page  
Down and out in debt-ridden, Mexico Page 4

# Israeli cabinet to meet on U.S. Palestine policy

BY DAVID LENNON IN TEL AVIV AND ANATOLE KALETSKY IN WASHINGTON

ISRAEL'S CABINET is due to meet in emergency session this morning to decide how to react to what it sees as an unfavourable U.S. policy initiative on the Palestinian issue.

This is understood to advocate a halt to Israeli settlements in the West Bank and Gaza Strip and an establishment of strong links between these Israeli-occupied territories and Jordan.

Israeli officials said the new policy lines were in a letter President Reagan sent to Mr Menahem Begin, Israel's Prime Minister, dealing with ways of reviving negotiations on autonomy for the Palestinians living in the West Bank and Gaza Strip.

Israel's initial response yesterday was to say President Reagan's ideas violated many provisions of the Camp David accords.

In the U.S., the President said he would make a televised statement on Middle East policy, outlining "some principles and ideas" which should

guide the peace negotiations' next phase. Administration officials insisted, however, there were no plans to move U.S. policy out of the Camp David framework.

At official briefings the White House and State Department insisted the President's letter was part of a regular series of communications between the U.S. and Israeli governments.

They said the broad review of U.S. Middle East policy, announced by Mr George Shultz, Secretary of State, soon after his appointment, was still not completed.

Mr Begin is interrupting his holiday to chair the cabinet's emergency session, which indicates how seriously he views the President's ideas. Several Israeli politicians said yesterday Israel should be prepared for direct confrontation with Washington over the future of the West Bank and Gaza Strip. Jerusalem was most alarmed by the U.S. President's reported reference to the need for a strong link between the occupied territories and Jordan. The President also advocated a halt to all settlement activity in the territories during autonomy negotiations and the five-year interim period supposed to follow under Camp David agreements.

Having captured the West Bank in the 1967 war, Israel does not want to see Jordan returned to control of a territory the Begin government regards as part of the biblical land of Israel and has pledged not to relinquish.

Professor Moshe Arens, Israel's Ambassador to Washington, told a Knesset committee yesterday Israel should not fear direct confrontation with Washington.

The presence in Israel of Mr Casper Weinberger, U.S. Defence Secretary, who arrived last night from Lebanon, may accelerate the confrontation. Israel considers him her harshest critic in the Administration.

U.S. troops will "pull out soon; Page 3

# Estimate of UK surplus for 1981 cut by £2bn

BY MAX WILKINSON

THE OFFICIAL estimate of Britain's balance-of-payments surplus for last year has been cut by £2bn to £6bn, according to figures published yesterday.

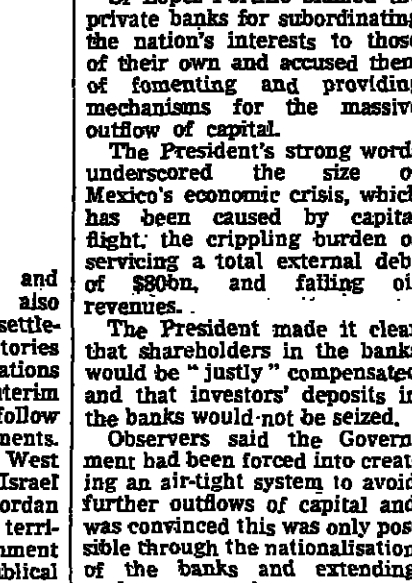
The estimate has been revised because the rather optimistic view taken last autumn and in the early part of this year was based on incomplete figures.

Even after revision, however, the current account surplus for calendar 1981 remains the largest since the war. North Sea oil contributed strongly, while the depressed state of the economy tended to hold back imports.

Recent figures published after a long delay, however, show that imports increased rapidly during the latter part of 1981 to an end.

The growth of imports, particularly manufactured goods, and the dull performance of exports which has shown up in figures in the earlier part of this year has been underlined by the downward revision of the 1981 estimates. The combination has been behind the more pessimistic view of the prospects for recovery in most recent forecasts, particularly that from the Confederation of British Industry.

Yesterday's estimate of the



1981 balance of payments surplus comes from the "pink book" published by the Government Statistical Service. It is the first official estimate to be based on a nearly complete set of trade figures, following the

Continued on Back Page

# Nott to retire from politics at next election

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

MR JOHN NOTT, the Defence Secretary, is to retire from politics at the next general election. He will, however, stay on as Defence Secretary for the time being.

Last night Mr Nott told his constituents in St Ives, Cornwall, that he would not seek re-election. He said he had told the Prime Minister last December of his desire to leave politics and pursue a career in business, but had been persuaded by her to postpone any announcement of his plans until this summer. He wanted to give his constituents time to find a successor.

Mrs Margaret Thatcher, who met Mr Nott for 30 minutes at Downing Street yesterday morning, subsequently issued a statement confirming that she had known of his plans since December.

"I understand and respect the reasons which have prompted him to make public his decision now," she said. "He will continue as Secretary of State for Defence as a most valuable and trusted member of the Cabinet."

Yesterday's announcement came as no great surprise in Westminster. Mr Nott was known to have been depressed and frustrated in the job for some months, particularly over his defence budget battles with the Treasury.

Brought in as Defence Secretary in January 1981, specifically to implement the spending cuts at which his predecessor, Mr Francis Fynn, had balked, he is reported to have felt that a great pity the Prime Minister did not accept his resignation when it was first offered.

Mr Nott entered Parliament in 1966 as the Member for St Ives, which he retained with a comfortable 13,716 vote majority (33.1 per cent) at the last general election.

As Minister of State at the Treasury in Mr Edward Heath's Government, he became increasingly unhappy and critical of the increase in the money supply. His relations with Mr Heath grew into an open rift and he refused a front bench position after the Conservative defeat in February, 1974. He was subsequently backed by Mrs Thatcher in the contest for the leadership.

Men and Matter, Page 14

reshuffle at more senior level than has been expected.

Mr Peter Walker, the Agriculture Secretary, is already being tipped as a possible successor. Other names include Mr Michael Heseltine, the Environment Secretary and Mr George Younger, Secretary for Scotland. However, Mr Nott is known to wish to stay in his post until completion of the current defence White Paper, publication of which was delayed to take account of the Falklands crisis.

He remains committed to the party's initial emphasis on defence against a Soviet threat and appears determined to see it through in the face of mounting pressure from the naval lobby.

While some of his Cabinet colleagues doubt whether he will now have sufficient authority to complete the task and feel it might be wiser to move him before Parliament resumes sittings on October 18, Downing Street was last night adamant that there were no plans for any major Cabinet changes involving him.

This does, however, mean that the lower level ministerial changes expected in the next few weeks may be the prelude to a more radical shake-up in the New Year.

Commenting on the announcement yesterday, Mr John Silkin, the Shadow Defence Secretary, wished Mr Nott success in his new business career. "He is an intelligent and a nice man," he said. "But he was a bad Defence Secretary and it is a great pity the Prime Minister did not accept his resignation when it was first offered."

Mr Nott's announcement has inevitably revived speculation on the possibility of a Cabinet

£ in New York

	Aug. 31	Previous
Spot	\$1.7150-7070	\$1.7075-7055
1 month	0.91-0.91	0.91-0.91
3 months	0.90-0.93 pm	0.92-0.97 pm
12 months	3.25-3.40 pm	3.40-3.55 pm

# Follow the Leader



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EUROPEAN NEWS

Bonn will guarantee up to £256m in loans for AEG

BY JONATHAN LARR IN BONN

THE WEST GERMAN Government has agreed to put up a loan guarantee of up to DM 1.1bn (£256m) for AEG-Telefunken, the financially-troubled electricals concern which is seeking a court settlement with its creditors and a new start.

AEG, giving it a further breathing space in its battle to streamline and avoid bankruptcy. Commercial banks last month agreed to put up DM 1.1bn in new credit, but made DM 400m of that dependent on approval of a state guarantee for yet another DM 1.1bn. This condition has now been fulfilled.

management—must be ready to share the burden. AEG had close to 100,000 employees in West Germany this year, but may have little more than 60,000 once its restructuring has gone through. However, this does not imply a net loss of 40,000 jobs since parts of the group are likely to be bought and operated by other companies.



Count Lambdorff: target of Schmidt's anger

Simmering Bonn row boils over in public

By Our Bonn Correspondent

THE WEST GERMAN Chancellor, Herr Helmut Schmidt, has thrown down the gauntlet before Free Democrat party members of his government, challenging them to tell him to his face if they want to desert the coalition.

Mr Schmidt's action came at a cabinet meeting yesterday when the long-simmering discontent between the Social Democrat and Free Democrat partners finally rose to boiling point.

The Chancellor made clear he had been "astounded and irritated" above all by statements of the liberal Free Democrat Economics Minister, Count Otto Lambdorff, about the future of the coalition and the budget outlook.

He stressed he had been re-elected Chancellor in 1980 with the votes of the Free Democrats and his own Social Democrat Party, that both parties had given him a big vote of confidence in Parliament last February, and that he intended to continue to do his duty as Chancellor.

If anyone wanted to desert, Herr Schmidt told the assembled ministers, they should tell him so "openly, honestly and directly," not announce their views via public interviews.

Count Lambdorff, who is well known as at least as blunt a speaker as Herr Schmidt, strongly defended himself and received support from Herr Hans Dietrich Genscher, his party leader and Foreign Minister.

West Berlin seeks jobs pledge

BY OUR BERLIN CORRESPONDENT

WEST BERLIN will lose "some 2,500 jobs" more than 2,500 jobs as a result of the closure here of factories belonging to AEG-Telefunken.

has fallen from 32,000 to 10,900 in the past 20 years. The city's chamber of commerce has warned that if the loss of production jobs is not halted soon, West Berlin's "industrial substance" will be endangered.

The city administration has offered to ensure that AEG completes its urban railway project in West Berlin in order to secure jobs. It is looking to Bonn to provide the DM 50m (£11.6m) needed for the project's two-and-a-half year test phase.

David Buchan visits Katowice, centre of the coal industry vital to Poland's economic recovery

Carrot and stick at work in mines

"LOOK, I've been a Communist Party member for 23 years and I'm not ashamed of it." The coal-blackened section supervisor still looked nervously around the dark shaft 2,800 ft down in the bowels of the Slask mine, before adding: "But at the start of the Solidarity period people came around to my house and threw stones in the windows. Of course I'm glad they've gone."

Many other Silesian miners at the 48 mines in the southern province of Katowice have more bitter memories of a very different kind. It was at the Nujek mine that nine of their number were killed last December in the only violent resistance to martial law. Those memories surfaced again on Tuesday when Katowice workers answered the suspended union's call for nationwide demonstrations. There were, however, no details of the extent of the disturbances.

The Silesian coal industry, is being closely watched in the West. Hard-currency earnings from coal are one of the few means Poland has to pay its huge debts.

They have an established reputation for being slow to excite but formidable when roused, as last December showed. Katowice Province, with a tenth of the Polish population, churns out 17 per cent of total industrial production.

A Polish miner now earns 20,000 zlotys (£135) a month, compared with 13,000 (£88) before last September's pay rise. Saturday work, albeit compulsory, earns a miner a bonus, which dates from the Solidarity era. These bonuses can be spent in special shops, which also give miners a larger meat ration: 15 lb a month as against 11 lb for workers above ground. This is a significant concession in a meat-loving nation.

These material factors might seem reason enough why both total output and productivity from individual miners have risen. Mr Zdzislaw Farmas, the Slask mine director, says each of his miners now extracts on average for an eight-hour shift, around 2.7 tonnes, compared with last year's average of 2.4 tonnes. On the national level, the daily production average

the fact that Solidarity, the union, was slow to organise the coalfields and since martial law he had had "no outside trouble-makers." He admits Solidarity leaflets were passed, "particularly at the start of martial law." But he claims "this has died out because we have paid little attention to it."

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Election fears spark wave of selling on Spanish bourses

BY ROBERT GRAHAM IN MADRID

SHARE VALUES on all four Spanish bourses fell yesterday for the second day in a selling wave prompted by the prospect of a general election on October 28.

AS the Spanish bourses are small, it requires only one or two large sellers to move values. But this week, a number of small investors have been selling in the market.

Both groups are the core of the power of the Spanish financial oligarchy and the selling wave is regarded as a direct reflection of investor concern about the prospect of a Socialist triumph in the election.

Brokers also pointed out yesterday that institutions wishing to offload large quantities of stock could not always find buyers the same day and sometimes the process took more than a week.

The Government aims to reduce by DKr 10bn (£666m) next year's projected budget deficit of DKr 74bn (£4.9bn)—about 14 per cent of GDP. Spending cuts for next year total DKr 10bn gross and about DKr 8bn net; its revenue increases to about DKr 4bn.

The inflation rate is running at close on 18 per cent and no measure is likely to be taken between now and November to curb this trend. As yet, there has been no agreement on topping-up wages—paid down in all wage settlements—to compensate for greater than projected inflation in the first six months of the year.

Hungary to curb industrial imports

By Leslie Collett in Berlin

HUNGARY is to reduce its imports of raw materials and industrial components because of a shortage of hard currency and a lack of sufficient Western credit.

An official statement issued by the Hungarian news agency, MTI, said the restrictions, which it called "temporary," are intended to improve Hungary's foreign trade balance and to maintain its balance of payments.

The Government received a \$260m loan from Western banks in July and has asked for a \$300m short-term credit from Western central banks. Hungarian exports to some Western countries have "continued to worsen," according to MTI, because of what it said were protectionist and discriminating measures to reduce imports.

Malta's foreign interference Act becomes law

By Godfrey Grims in Valetta

MALTA'S controversial foreign interference Act, introduced by the Government to restrict the activities of foreigners on the island and to prevent Maltese from using foreign TV and radio stations to broadcast to Malta, has been approved by Parliament.

During the three-day televised debate, government ministers, including Mr Dom Mintoff, the Prime Minister, made it clear the legislation was aimed at the opposition Nationalist Party.

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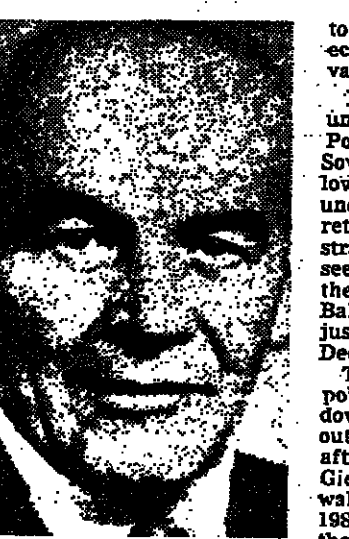
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Gomulka: Dour leader who failed to live up to his country's hopes

ALL POLAND looked on Mr Wladyslaw Gomulka as a hero when he returned to power in October 1956. But popular acclaim virtually vanished during the 14 years of his rule. By the time he was deposed in the wake of strikes and riots in December 1970, he was one of Eastern Europe's most rigid and disliked leaders.



Soviet delegation led by Mr Khrushchev arrived in Warsaw. After a stormy session, the Soviet leader agreed to call off troop manoeuvres round the city.

Even after the fall of his successor, Mr Edward Gierek, ten years later there was little nostalgia for the "Gomulka era."

But after his dramatic rise to power, Gomulka was hard put to fulfil the expectations that many people had of him. As party leader, he made a pact with the church, disbanded the unsuccessful collective farms, reduced the power of the secret police, and for a time allowed an unprecedented relaxation of censorship. But hopes that the "Polish October" signalled a transformation of the system, were disappointed.

to an end. In the 1960s, the economy stagnated after several vain attempts at reform.

Mr Gomulka, a dour man with few personal friends, had been seriously ill for some time before his death.

Let's get right to the heart of it. The New York Hilton. Carnegie Hall, Broadway Theaters, Museum of Modern Art, Radio City Music Hall, Fifth Avenue, Lincoln Center (with its opera, ballet and symphony), Central Park. That's excitement. That's the heart of New York—just a stroll from the elegance of The New York Hilton. Where there's Hurlingham's for international dining, Sybil's, the famous celebrity club for late-night dancing. And the exotic Mirage lounge for cocktails, piano music and relaxing with friends. And to make sure you're as comfortable as a native New Yorker, we speak your language. And 35 others. Our International Desk will tell you everything you need to know about New York. That way you'll see all you came to see in this great city. While we take care of all the little (but important) things right here: Transportation and sightseeing. Theater tickets. Drug-store. Airline reservations. You name it. You'll find us as exciting and accommodating as the city we're a part of. Contact your travel agent or Hilton Reservation Service for information and reservations. Elegance. Excitement. That's The New York Hilton.

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China comm West. Mubarak. Australia. American.



# China maintains commitment to West, Deng says

BY TONY WALKER IN PEKING

CHINA'S 12th Communist Party Congress opened yesterday with Deng Xiaoping, the party vice-chairman, pledging Chinese commitment to continued contacts with the West.

"We will unwaveringly follow a policy of opening to the outside world and actively increase exchanges with foreign countries on the basis of equality and mutual benefit," he told more than 1,600 delegates.

He warned, however, that China would firmly resist what he described as "corrosion" of decadent ideas from abroad.

The congress, the first since 1977, is expected to endorse economic policies sponsored by Deng as well as approving new leadership arrangements.

Meanwhile, Hu Yaobang, the party chairman, strongly criticised his predecessor, Hua Guofeng, during a lengthy report to yesterday's session of congress.

Hua, a protégé of Deng, said the political report—given by Hua in 1977 in the middle of congress—still approved of the erroneous theories, policies and slogans of the cultural revolution, thus exerting a negative influence by seriously obstructing the effort of the party to set things right.

Hua lost the chairmanship late in 1980 and was formally replaced in the middle of 1981. He was demoted to seventh and last position on the standing committee of the politburo and appears to have played only a limited role in party affairs since.

Western observers in Peking are describing the congress as one of the most important since the founding of the People's Republic in 1949. Deng himself described the 12th congress as the most important since the seventh in 1945.

Deng characterised the 20 years between 1956 and the downfall of the Gang of Four

in 1976 as part of China's "tumultuous development," reference to the years of chaos and internal party struggle which reached their peak during the cultural revolution.

The veteran official said the decade of the 1980s was an important one for the party and the state. He said the three major tasks facing the Chinese people were to "intensify Socialist modernisation, to strive for reunification and particularly for the return of Taiwan to the motherland and to combat hegemony."

Deng called for a streamlining of the administration of the Party and a reduction in the average age of officials. He said the party should strike at corruption in its ranks and improve the party's style.

In reference to contacts with the west, Deng said China's affairs should be run "in our own way and by our own efforts." He said that while China valued co-operation with other countries, it valued even more its sovereign independence and sovereign rights. No foreign country can expect China to be its vassal, nor can it expect China to swallow any bitter fruit detrimental to China's interests," Deng said in an apparent reference to problems with the U.S. over U.S. arms sales to Taiwan.

The 12th congress will approve a number of important administrative changes, including the abolition of the post of chairman and vice-chairman, of which there are six. Deng will move to a newly-created panel of Party elders.

The congress will elect a new central committee and approve the draft of a new constitution that will embody the administrative changes mentioned above. The congress yesterday heard a report from Hu Yaobang, the party's general secretary, on developments within China.

# U.S. marines will be withdrawn from Beirut 'within days'

BY STEWART DALBY AND NORA BOUSTANY IN BEIRUT

MR CASPAR WEINBERGER, U.S. Secretary for Defence said in Beirut yesterday that U.S. marines will be withdrawn from the city within "a few days."

He said that the evacuation had been extraordinarily successful and that he did not envisage them staying beyond the September 24 deadline set under the Habib plan. He hoped they could leave much sooner.

Mr Weinberger said that he expected U.S. military aid to the Lebanon to be increased.

He saw no reason why French and Italian troops which also make up the multi-national peacekeeping

force should stay much longer. The decision to pull them out, he said, would be up to the individual countries.

Mr Weinberger inspected a contingent of 800 U.S. marines at the Beirut port only hours after the last 600 FLO fighters were evacuated to Syria. This brought the total numbers evacuated to just over 13,000, including 2,500 Syrian troops.

U.S. marines will not be involved in policing West Beirut or helping the Lebanese army to disarm Moslem militia.

The U.S. Defence Secretary said the evacuation, which was completed "three days ahead of schedule," was the

first phase of a U.S. policy. Phase two, he said, was the withdrawal of all foreign forces, by which he meant Syrian and Israeli troops. Phase three would be an overall settlement of the Palestinian problem.

"Syrians have told many people they wish to leave. The Israelis have told us repeatedly that they want to leave."

But they will not leave until the Syrians leave. They want to leave simultaneously. I am sure this can be worked out," he said.

Mr Weinberger said he had discussed in a "general way" the question of military assistance to the Lebanese.

# Granite-like Afrikaner image crumbles

BY BERNARD SIMON IN JOHANNESBURG

TWO OF South Africa's most influential Afrikaners have been forced out of their jobs in the past two weeks.

Dr Wim de Villiers, executive chairman of General Mining Union Corporation, the country's second largest mining house, was the victim of a bitter personality clash and a feud between two of the pillars of Afrikaner business, the Rembrandt tobacco and liquor empire, and the insurance and banking group, Sanlam.

This week, Dr Willem de Klerk, editor of the Transvaler, the official organ of the ruling National Party in the Transvaal, was dismissed by a proprietor who apparently wants to steer the newspaper on a more "biantaly" Right-wing course.

Dr de Klerk is more than a newspaper editor. He has taken the lead in rationalising and

explaining Prime Minister P. W. Botha's hesitant moves towards race policy reforms.

If Dr de Villiers and Dr de Klerk had left their jobs in similar circumstances three or four years ago, it is likely that both would have gone quietly, giving the public little inkling of the motives for their departures and ensuring that the granite-like image of Afrikaner unity remained intact.

But things have changed in Africa's largest white tribe. Dr de Villiers spoke bitterly to the Press of "sustained personal hostility" towards him. Dr de Klerk said he had no doubt that "political undercurrents" had contributed to his dismissal.

The de Villiers and de Klerk cases are not unique. South Africa's 3m Afrikaners are disagreeing about more issues—

and more important issues—than ever before. One sign of the depth of the disagreement is that more and more of the dirty washing is being hung out in public.

Even trivial disputes are being blown up. A Johannesburg Afrikaans-language newspaper led its front-page last Tuesday with news that the city's nationalist mayor had apologised on behalf of a senior (also nationalist) city councillor involved in an altercation with a neighbouring town's mayoral chauffeur.

At the heart of much of the in-fighting is the departure from the National Party earlier this year of 17 ultra-conservative MPs led by former cabinet minister Dr Andries Treurnicht.

The rebels object to Mr Botha's more moderate race policies, arguing that he has

betrayed the true principles of Afrikanerdom and is gradually leading "Die Volk" towards racial integration and, ultimately, Black domination.

They have formed the Conservative Party, which cannot be written off as a one-day wonder or (like the extreme Herstigte Nasionale Party) as a lunatic fringe. The Conservative Party has already demonstrated substantial grassroots support among Afrikaners who are confused by Mr P. W. Botha's policies and offended by his autocratic style.

The National Party split and the rise of the conservatives have sent ripples throughout Afrikaner society.

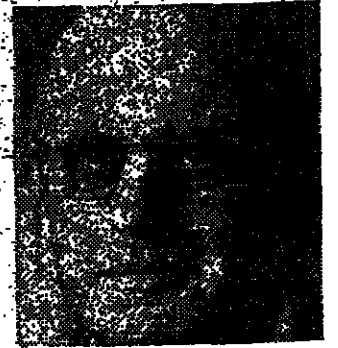
Despite the rapid urbanisation of many Afrikaners since the great depression and their absorption into a modern industrial economy, Afrikaner society remains far more tightly

knot than that of their English-speaking countrymen.

There is a fairly high probability that Afrikaners of the same social class belong to the same sporting clubs and cultural societies. They often live in the same neighbourhoods and belong to the same church denominations. In other words, there is a high level of overlapping participation in various activities. The result is that a fissure in any one of these areas easily spills over.

Professor Willem Kleyman, a political scientist at the university of South Africa, explains that Afrikaners used to serve the National Party and their other institutions "unquestioningly."

Now that support for the National Party has been weakened, "all the other areas are affected." Prof Kleyman says "Afrikanerdom is breaking



P. W. Botha... race policy reforms

up in all its fields of endeavour.

On top of the split in the National Party have come other pressures on Afrikaner hegemony. The two largest Afrikaner churches are currently agonising over their response to last week's decision by the World Alliance of Dutch Reformed Churches to suspend them from membership and to declare apartheid a heresy.

# Iran cuts oil price to thwart Iraqi blockade

BY RICHARD JOHNS

A CUT in the price of Iran crude to \$28 per barrel for its main light variety of crude from an "official" selling price of \$31.20 has helped break the Iraqi blockade of its main oil export terminal.

Notwithstanding Iraq's claim to have bombed Kharg Island on Monday—it would have been the third attack in 13 days—and to have inflicted damage, three VLCCs are reliably reported to have loaded cargoes there in the last two days. The volume of oil has probably been in excess of 5m barrels.

Great security surround the operations. However, one of the vessels concerned is understood to be the 319,000 dwt Resolute owned by Livanos and on charter to Marinx, the German trading group.

The further discount being offered by Iran, in a bid to encourage customers and shippers to defy Iraq's threat to attack any vessel approaching the terminal, is believed to be in response to additional premiums on hull values.

Last week the rate had risen to 3 per cent but charges of up to 5½ per cent were reported yesterday by tanker brokers. The rate for cargoes on account of war risk remained at 3 per cent.

An extra incentive to run the Kharg Island blockade has been given by the shortage of Iranian Light and Iranian Heavy on the Rotterdam spot market. The median price for Iranian Light reported to the Financial Times yesterday rose \$31 compared with \$30 on Tuesday.

# Mubarak pledged to boost Egyptian economy

BY OUR FOREIGN STAFF

PRESIDENT Hosni Mubarak swore in seven new Cabinet Ministers yesterday, promising to try to boost the Egyptian economy.

The ministers who were replaced included two responsible for the economy. They were replaced in the country's second cabinet reshuffle since last October.

President Mubarak's creation of a separate portfolio for investment indicated that he was keen to continue the economic experiment begun by his predecessor, President Anwar Sadat.

The portfolio had been held

by Dr Abdul Fattah Ibrahim, Deputy Prime Minister for the Economy, but has been assumed by Dr Waguih Shindy. At 46 he is the youngest member of the cabinet and is highly regarded as an experienced banker. He is chairman and a founder member of the Arab Investment Bank.

His job will be to attract the foreign investment on which Egypt pins its hopes for boosting industrial production, the key in Mr Mubarak's eyes to solving the problems of shortages and excessive imports.

Since the death of President Sadat 11 months ago, investment has been in the doldrums.

# Australia heads for split over tax legislation

BY MICHAEL THOMPSON-NOEL IN SYDNEY

PLANS by the Australian Government to introduce retrospective tax legislation seem bound to provoke a split in its own ranks, despite the scale of the tax avoidance scandal revealed in last week's publication of a Royal Commission report.

The first sign of a possible back-bench revolt came yesterday when Mr Max Burt, a Liberal MP for Tasmania, told Mr Malcolm Fraser, the Prime Minister, that he would cross the floor of the House and vote with the opposition to government introduced re-retrospective legislation.

In a letter to the Prime Minister, Mr Burt, a prominent back-bencher, said that such legislation would cause "irreparable damage to the reputation, respect and principles of the Liberal Party."

He is the first Liberal Party member to declare his opposi-

tion to retrospective legislation publicly.

The Royal Commission report of Mr Frank Costigan, QC, detailed the spread of tax evasion and avoidance schemes in Australia following a saga of incompetence in the Perth Crown Solicitor's Office.

Three senior civil servants, including one who ran a call-girl service in office time, have been charged with failing in their duties.

The scandal has also produced calls from the Australian Labor Party opposition for the resignation of Mr John Howard, the federal treasurer, and Senator Peter Durack, the attorney general.

In his letter, Mr Burt said that the Government appeared to be relying on advice that current Australian tax laws were deficient. But he said no test cases had been attempted.



1975



1981



1978



1982

# What's the use of building a business if you never get anything out of it?

If running a successful private company hasn't exactly made you a private fortune, don't despair. Read on. Plenty of owner-managers turn in very worthwhile profits these days, but are still struggling themselves. And not always for the proverbial yacht in the Bahamas either. Many can't afford the kind of home and standard of living they deserve right here in the U.K.

Charterhouse can solve this problem of your business being rich and you relatively poor, because our business is investing in successful private companies.

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AMERICAN NEWS

Mexicans are struggling to survive in a crippled economy. William Chislett reports.

Down and out in debt-ridden Mexico

FOR THE past three years, while the Mexican economy boomed on the back of the country's oil wealth and massive borrowings abroad, Felipe Sanchez enjoyed full employment chiefly as a labourer on building sites.

Unease grows over oil-backed loans

MEXICO's international bank creditors are growing increasingly uneasy about the country's use of oil as security for some of its foreign loans, writes Peter Montagnon and William Chislett.

urgently clarification of this point a further technical problem has surfaced with other oil-backed borrowings. This involves the \$4bn, two-year bankers acceptance facility arranged last year for Pemex, the state oil company, by Ban Kof America. Bankers acceptances are short-term money market borrowings linked to physical trade transactions.

facility to waive the condition that oil shipments listed in the documentation should not be pledged elsewhere, and a similar request was yesterday said to be favourable.

exchange controls at all, has wiped out middle class faith in the Government at one stroke. Dollar holders wishing to use their dollars have to convert the fixed rate of 69.50 pesos to the dollar compared to the free market rate of over 100.

The construction industry, generally the first sector to be affected in a recession, is grinding to a halt. Felipe, aged 20, has lost his job and has gone back dependent to his village to join the 40 per cent of the workforce which is without full-time employment and the safety net of unemployment insurance.

Inflation is running at an annual pace of about 90 per cent, three times the 1981 rate, because of a falling currency and the reduction of Government subsidies on basic items in an attempt to replenish the state's depleted coffers.

Mexico to the verge of bankruptcy. Mexico's disposable (primary) international reserves are said to be less than \$100m—insufficient to cover one month's imports. Felipe is bewildered by such statistics. All he knows is that he is back where he started—unemployed.

Unemployment and the prospect of earning dollars, which are trading upwards of 100 pesos compared to 46 pesos a month ago, and 25 at the beginning of the year, are driving poor Mexicans into the arms of Uncle Sam in ever increasing numbers.

Wild rumours are sweeping the country that safe boxes will be impounded by the Government, that Mexican accounts in the U.S. will be frozen by Washington and more dramatically that a military coup is imminent.

President's men 'lack vision but not wealth'

By Reginald Dale, U.S. Editor, in Washington. THE Reagan Administration is "a government of extraordinary broad wealth, narrow vision and little compassion."

What we found unique, even in comparison with prior Republican administrations, such as the Nixon and Ford administrations, is the sameness of these people," he says. Of the 100 officials profiled in the book, written by two of Mr Nader's aides, 98 are white, 95 are men and more than 30 are millionaires.

U.S. Navy threatens to cancel \$39.7bn F-18 jet contract

THE U.S. navy has threatened to cancel one of the largest defence contracts in history, worth an estimated \$39.7bn (€22.2bn), unless manufacturers of the F-18 fighter can lower their prices by about 10 per cent.

Mr John Lehman, U.S. Navy Secretary, said in an interview published yesterday in the Washington Post that the navy would not buy the planned fleet of 1,366 F-18s, unless the 1981 price of \$24.1m per aircraft is reduced to \$22.5m by 1984.

U.S. banks gain foothold in discount broking

AS COMPETITION intensifies between U.S. financial institutions, a number of commercial banks are forcing their way into the discount brokerage business.

The bank, which earlier this year announced plans to buy a 29.9 per cent stake in London broker Hoare Govett, is now setting up an operating subsidiary to handle its discount broking business.

UK bank pleads for end to Argentine sanctions ignored

THE British Government has decided to ignore calls by London bankers for an early lifting of economic sanctions against Argentina.

Britain has long abandoned any attempt to link the lifting of its freeze on Argentine assets with its hopes for a clear statement from Buenos Aires that hostilities have ended.

Washington has begun stressing to Britain that the Falklands is an anomaly which should not be allowed to undermine long-term Western interests in Latin America.

Bankers handling Argentine debt yesterday said they believed that the recent resignation of the Argentine Minister of Finance and the head of the country's central bank has made the situation more difficult.

Bankers handling Argentine debt yesterday said they believed that the recent resignation of the Argentine Minister of Finance and the head of the country's central bank has made the situation more difficult.

WORLD TRADE NEWS

BP's W. German subsidiary seals Saudi oil deal

DEUTSCHE BP, the West German subsidiary of British Petroleum, has concluded the UK oil group's first long-term crude oil supply contract with Saudi Arabia.

company was conducting feasibility studies for the supply of PVC plastic products from three of the group's plastics processing subsidiaries in West Germany—AGE Plastic in Wasserburg, Etemex Kunststoffwerke in Stuttgart and Polydress Plastic in Michelstadt.

Pressure on U.S. over pipeline persists. The Reagan Administration yesterday came under further pressure to ease its sanctions policy on the provision of equipment for the Siberia-West Europe gas pipeline.

Ann Charters in Seoul traces the history of a subway deal concluded this week. GEC's tenacity helps secure Korean order.

THIRTY MONTHS of negotiations over contracts for Seoul's subway system were brought to a successful conclusion this week when Britain's General Electric Company signed a deal worth £195m for subway cars, track and maintenance equipment, and for project management of subway lines numbers three and four.

Korean companies an opportunity for a package deal from one source. The companies competing in each sector were asked to re-submit bids with the understanding that letters of intent would be forthcoming by September 1982.

U.S.-backed yen loan for N-plant. JAPANESE banks are arranging for the first long-term yen loan to be guaranteed by the U.S. Export and Import Bank under an agreement reached between the U.S. and Japan earlier this year.

Indian steel companies protest. INDIAN engineering companies have protested sharply to the Steel Ministry against what they say is the decision to hand out orders to the Soviet Union for a 3.4m-tonne steel plant at Vishakhapatnam in Andhra State.

European gas companies sign Statoil contracts

SEVEN EUROPEAN gas companies yesterday signed contracts with Statoil, the Norwegian state oil concern, for the delivery of additional supplies of Norwegian natural gas from the mid-1980s.

The initial contracts cover gas deliveries from the Statfjord field, the largest oil and gas field discovered in the North Sea, but further agreements are expected to be signed in the near future for gas supplies from the Heimdal and Gullfaks (3/2/10) fields.

Australia to offer plan on protectionism. AUSTRALIA plans to propose a five-year programme in which member nations of the General Agreement on Tariffs and Trade (GATT) would reduce trade protectionism.

Van Agt rules out Pretoria ban. MR DRIES VAN AGT, the outgoing Dutch Prime Minister, has effectively ruled out any possibility of a unilateral oil embargo against South Africa.

Indian steel companies protest. INDIAN engineering companies have protested sharply to the Steel Ministry against what they say is the decision to hand out orders to the Soviet Union for a 3.4m-tonne steel plant at Vishakhapatnam in Andhra State.

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You're looking at an historic car. The Crusader is the last special edition Cortina.

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Never before has there been a Cortina with so much individuality and so much equipment for such a low starting price. (As a result of recent price rises by our competitors, it's now priced some £600 below its chief rival!)

Available with 1.3, 1.6 or 2.0 litre engines, many of the Crusader's interior features are taken direct from the top of the range Cortina Ghia.

The fascia and door cappings are given a woodgrain finish. There's a centre console with built-in radio. And the driver

gets a remote control door mirror.

Seats are trimmed in luxurious Durham and Crushed Velour fabric. Doors are finished in brushed Velour with carpeted lower edge. You have adjustable head restraints in the front and a folding centre armrest in the back! And there's thick cut pile carpet on the floor.

Then, there's the paintwork. You've a choice of single or two-tone colour schemes fitting for a Crusader. Set off by sports road wheels.

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\*Max. prices for the single tone 1.3 saloon at time of going to press. Car illustrated: 1.3 two-tone at £5340. Seat belts, car-tax and VAT included. Delivery and number plates at extra cost. \*\*Four-door saloons only.  
\*Recommended retail price for Cavalier GL 4-door saloon 1.3S £5818. Delivery and number plates at extra cost.



Jenkins says Gower can be won

By Robin Reeves, Welsh Correspondent

A PREDICTION that the Social Democrat-Liberal Alliance could win the Gower by-election was made yesterday by Mr Roy Jenkins, the SDP leader.

Brushing aside public opinion poll evidence which suggested last week that SDP support was running well behind the Conservatives, with Labour coasting to an easy victory, Mr Jenkins said in Gower that it did not conform with his impression.

Mr Jenkins who has carried out three walkabouts in shopping centres in the constituency said: "Votes can be shifted fairly easily and Labour is the softer vote. I think we can do well if maybe we can win."

Mr James for the SDP, claimed that British Steel was planning to close Wednesfield tinplate works, at the heart of the constituency.

Dublin caution on Prior visit

IRISH officials have reacted with caution to suggestions that Mr James Prior, the Northern Ireland Secretary, will visit the Republic soon for talks with Government Ministers. A spokesman in Dublin said there were no arrangements for an early meeting.

Tory campaign in Scotland

THIS YEAR marks the start of the Tory Party's general election campaign. Mr Michael Ancram, chairman of the Scottish Conservative Party, said yesterday in a speech at Elgin.

Three-company trim with no job losses

ARMSTRONG Equipment, the Hull-based engineering group, is amalgamating the activities of three subsidiaries in Birmingham, which make screws and fasteners.

Improvements lead to job cuts

UP TO 80 jobs are to be cut at the Dickinson Robinson Group's Nash Mills factory at Hemel Hempstead from the end of the year.

Orme seeks talks with British Steel

LABOUR'S shadow Secretary for Industry, Mr Stan Orme, is to seek a meeting with Mr Ian Cameron, chairman of British Steel, to discuss the future of the corporation.

Big drive against TV licence dodgers

THE BIGGEST national clampdown on television licence dodgers so far was launched yesterday in an attempt to retrieve some of the £55m revenue lost every year.

Orme seeks talks with British Steel

LABOUR'S shadow Secretary for Industry, Mr Stan Orme, is to seek a meeting with Mr Ian Cameron, chairman of British Steel, to discuss the future of the corporation.

Better sales help Nuclear Fuels to double profits

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH Nuclear Fuels, the state-owned nuclear fuel service group, doubled its net profits in the year to March 31 to £29.5m.

But it expects tough negotiations with its main customers this autumn when its terms of trading with the electricity boards are due to be reviewed.

Mr Fred Bonner, deputy chairman of the Central Electricity Generating Board, said yesterday he would be trying to persuade BNFL to carry more of the risk in what, in some cases, were essentially cost-plus contracts.

BNFL's net profit of £29.5m last year on sales of £412.7m compares with a profit of £12.9m in 1980-81.

Sir John Hill, BNFL's chair-

man, yesterday attributed the improvement mainly to "higher efficiency of operation in our factories".

He singled out three particular areas of improvement. One was the higher flow of Magnox (natural uranium) fuel from the refurbished Magnox reprocessing plant at Sellafield.

BNFL had also negotiated a better tariff for electricity from the Calder Hall and Chapelcross reactors, which it manages for the Ministry of Defence.

As a result of the extra income, greater productivity, and the return to power of a reactor used as a dry store for spent nuclear fuel, the company had turned a £3.4m loss on electricity sales last year into a

Heavy truck sales 'set to rise'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LEYLAND VEHICLES, the BL subsidiary, believes sales of heavy trucks in Britain will jump by 20 per cent next year to about 57,500.

The company also expects 1982 to show a slight improvement over last year's depressed level of demand, with heavy truck registrations (those over 3.5 tonnes gross weight) moving up from 45,000 to about 47,500.

Last year truck sales fell by 25 per cent to the lowest level since the 1950s.

The second assembly line at the Leyland, Lancashire, plant had been brought into operation ahead of schedule and the company is looking to improve its market share.

Mr Woodwork said the truck market was still competitive. "But we have noticed some firming-up of prices."

BL defends Sir Austin's £65,000

BY OUR MOTOR INDUSTRY CORRESPONDENT

BL yesterday defended the £65,000 a year Sir Austin Bide will receive when he takes over as non-executive chairman in November as "the market rate for the job".

Sir Austin already collects £63,000 a year as chairman of Glaxo, the pharmaceuticals group.

BL said: "We cannot give any idea of how much time Sir Austin will spend each week with the company. BL is the

sort of company you don't switch off from. People get immersed in the company. Sir Austin is simply getting the market rate for the job."

According to BL, Sir Austin's role will involve establishing board meeting agendas and chairing the meetings as well as appointing committees within BL covering finance and investment.

The organisation Remuneration Economics, which prepares surveys on top salaries and ad-

Rothschild trust invests only a third of funds

By David Fishlock, Science Editor

BIOTECHNOLOGY Investments, the £45.9m (£26.74m) trust set up by N. M. Rothschild last year, has invested only about a third of its funds in its first year of operation.

The trust was started at the suggestion of Lord Rothschild, the biologist and founder of the Government's Think Tank, mainly to invest in unquoted companies exploiting genetic engineering.

Of a total of 92 proposals for investment from unquoted companies the trust has bought shares in eight, all in the U.S. These investments account for about 30m, or half, of the trust's spending so far, according to the first annual report.

The trust has invested roughly another 20m in 11 quoted biotechnology stocks, including Amersham International (UK), Fortia (Sweden), Novo (Denmark) and Eli Lilly (U.S.).

Lord Rothschild, who is chairman of the trust, believes investors should approach biotechnology—the application of biological processes to industry with patience.

Commercial impact

While the trust believes that genetic engineering could give biotechnology the same commercial impact as transistors, computers and microprocessors, Lord Rothschild urges investors to see the development as long term.

The ratio of the trust's investments to proposals reviewed is "reasonable by normal venture capital standards," Lord Rothschild says.

Biotechnology Investments' policy is stated towards unquoted companies, particularly start-up ventures and those at an early stage of development.

Of the 92 unquoted proposals it has examined, 66 were from the U.S., 16 from Britain, five from Australia, two from Ireland and one from Switzerland.

Disappointed

Lord Rothschild admits that he has been disappointed by the British proposals.

The eight unquoted U.S. investments made so far are in Advanced Mineral Technologies (to exploit genetic engineering in mining), AgriGenetics (plant science), Applied Biosystems (scientific equipment), Applied Molecular Genetics (human and veterinary drugs, including interferon and new psalmicides), DNA Plant Technology (plant science), Genetic Systems (monoclonal antibodies), Integrated Genetics (diagnostic techniques) and Repligen (insecticides and animal growth stimulants).

The report says the trust's portfolio will eventually be well diversified through investment in companies applying biotechnology to such industries as drugs, chemicals, energy, pollution control, mining and agriculture.

Market squeeze on coal

AN INCREASINGLY tight market is blowing through the National Coal Board's markets leading to a new urgency to its discussions with the National Union of Mineworkers on the closure of uneconomic pits.

Mr Arthur Scargill, the union's president, is sworn to oppose any closures except for complete exhaustion—that is, there are no coal left. He makes the board's warnings about market-place difficulties as proof that the management has provocatively drawn up a "hit list" of pits to be closed.

The Coal Board, with what is becoming monotonous regularity, denies the existence of hit list of specific pits. It admits freely, however, and with a growing air of desperation, that 12 per cent of its annual deep-mined production is losing £250m a year.

Its latest, anguished comments on the state of the coal market were delivered on Tuesday following a meeting with NUM leaders.

Mr James Cowan, one of the board's deputy chairmen, said falling demand rising overseas competition and increased production from the UK's modern, capital intensive pits were likely to result in a "reduction in the industry's manpower requirements."

The Coal Board's arguments for shutting some 18m tonnes a year of uneconomic coal capacity are not hard to find. Demand for coal and for energy generally in the UK is far lower than predicted when the industry drew up its Plan for Coal in the summer of 1974.

This envisaged a UK inland demand for coal of about 132m tonnes by 1985. In 1981-82 inland consumption was only 117m tonnes. The board stresses that there is "little prospect of significant improvement over the next few years" on this figure.

Coal exports could help to boost the total figure a little but are unprofitable.

In the eight years since the plan was set out, the industry has invested heavily in modern economic capacity. The plan was

Miners' president Arthur Scargill takes warnings about market-place difficulties as proof of a pit closure "hit list"

With growing desperation, the Coal Board points to production losses of £250m a year. SUE CAMERON reports

OPERATING RESULTS OF DEEP MINING AREAS

Table showing operating results of deep mining areas for 1981 and 1982. Columns include area name, 1982 profit/loss, and 1981 profit/loss.

deficit grant required in the previous year.

The reasons for the mounting losses are not hard to find. Demand for coal and for energy generally in the UK is far lower than predicted when the industry drew up its Plan for Coal in the summer of 1974.

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In the eight years since the plan was set out, the industry has invested heavily in modern economic capacity. The plan was

High technology support schemes to be simplified

BY JASON CRISP

THE Industry Department's numerous and complex industry support schemes for high technology projects are being reorganised, the department worried that industry is unaware of substantial benefits available and is to simplify the schemes so companies can understand them.

The schemes are being assembled and promoted under one title, Support for Innovation. This includes:

● Finance from Research Requirements Boards and Product Process Development Schemes—these spent £150m in the past five years.

● Support schemes for specialist sectors: Microprocessor Awareness Programme (MAP), the Microelectronics Industry Support Programme (MISP) and programmes for robotics,

fibre optics, computer-aided design and others.

RRBs are merging with PRBs under relevant Industry Department divisions. Five boards cover electronics and avionics, materials and chemicals, textiles and other manufactures, mechanical and electrical engineering and metrology and standards.

One reason for the merger was departmental concern that boards were insufficiently responsive to industry's requirements. Last year they gave industry and research bodies £21m, about £2.5m less than in the year previous.

Any company or research body seeking any of the forms of support for innovation will now have to apply only to its nearest Industry Department regional office.

designed to generate some 40m tonnes of new or replacement capacity.

The new or modernised mines are less labour intensive than the older ones and coal from them is far more economic.

In 1981-82 the average operating profit on coal from the North West region was £3.4 a tonne. The average operating loss from the South Wales region, where many of the older mines are, was £12.0 a tonne.

The single most significant area in which the plan is not on target is in capacity closure. The expectation was that 3m to 4m tonnes a year would be shut between 1974 and 1985. So far a total of 8m tonnes of deep-mined capacity has been shut.

To add to the board's difficulties, coal stocks are at an all time high relative to consumption. They are about 68m tonnes, with more than 28m tonnes stocked at power stations.

The high stocks are partly a matter of government policy. The NUM has long been the scourge of governments in general and of Conservative governments in particular.

Ministers are trying to take counter-measures against the effects of a possible miners' strike. Mr Scargill and other NUM leaders appear uninterested in coal economics except as they might "prove" the existence of a closure hit list.

Some believe this is because he wants to arouse anxiety about job security among large numbers of miners. He then might have a better chance of persuading them to vote for strike action.

Counter-claims about closure lists are irrelevant. Market forces are militating more strongly towards the closure of uneconomic capacity in the coal industry.

Activist to join Anglia building society board

By William Cochrane

A PROGRESS report on the proposed merger next April of the Anglia and London & South of England building societies revealed yesterday the existence of a boardroom reshuffle involving a noted activist, a major tax-saving and a special bonus to some shareholders.

The activist is Mr Paul Twyman, who has been invited to become a director of the enlarged society. He is a civil servant.

Mr Twyman was in the Anglia's previous merger with Hastings & Thanet Building Society in 1973 and unsuccessfully stood for election to Anglia's board over the past four years.

Also joining the board will be Mr Keith Wickenden, Tory MP for Dorking and chairman of European Ferries. Mr Wickenden said that to his knowledge there was only one other building society director in the Commons, Mr Eric Cockeram, Tory MP for Ludlow, who is vice-chairman of Liverpool Building Society.

The retirement age for directors is being reduced from 75 to 70. Mr Twyman said yesterday this reflected his views on board-members' ages.

Three current directors from London & South and three from Anglia will retire and share £40,000 compensation for loss of office. Mr Jack Corrin, Anglia chairman, said yesterday all the retiring directors were more than 70 years old or close to it.

The merger will be effected by transfer of Anglia's engagements to London & South although Anglia's name will be kept for the longer group. Because of this, Anglia will change its year-end from December 31 to April 4, and in the process save £17m, three-quarters of its tax provision.

Meanwhile, ordinary and bonus shareholders of London & South are to be paid a special bonus of 0.5 per cent costing more than £1m.

Mr Tony Stoughton-Harris, chief executive-elect, said the bonus had been calculated mathematically to balance the two societies' reserve ratios and took into account a surplus on a sale of London property which is just being completed.

The two societies' combined 383 branch offices involve duplication in 32 towns. Post-merger plans envisage closure of 18 of these on a phased basis. Staff of both societies will be offered a guarantee that there will be no compulsory redundancies for five years.

Anglia, the sixth-largest building society before the merger was announced in May, is likely to rank seventh afterwards. It will be supported by National & Provincial, the product of the merger between the Burnley and the Provincial building societies announced a month later.

Sampson batteries

A REPORT in yesterday's Financial Times, stating that Chloride was the supplier of Unipak's new Sampson battery range, was incorrect. The batteries are manufactured by Tongstone Batteries, part of the Hawker Siddeley group.

Minister spells out terms of help for new projects

BY LYNTON McLAIN

THE GOVERNMENT is prepared to assist aerospace projects but will demand "every expectation of a satisfactory rate of return on its investment in much the same time scale as the aerospace company."

Mr Norman Lamont, Minister of State for Industry, told leaders of the aerospace industry in London yesterday.

This is the first time the government has spelt out the terms under which it is prepared to consider a role in new aerospace projects.

"The prime criterion is that the project for which support is sought must in itself show satisfactory prospects of commercial viability," Mr Lamont told delegates on the second day of the Financial Times/Royal Aeronautical Society conference, Aerospace Enters a New Era.

"We will not support political aeroplanes designed with prestige rather than profit in mind," he said in a chiding reference to Concorde-type projects.

Mr Lamont was keen that the terms of any future government support for aerospace should encourage British companies to improve their productivity to match major foreign competitors. The plan for the Government to recover its investment



Mr. Norman Lamont, Minister of State for Industry

will be, the minister said. This could involve a partnership with the Government.

In short, it is up to the industry to determine its own future.

In an attack on the "distortions" created by some credit terms for new aircraft sales, Mr Lamont said these had skewed the world's airlines from exposure to the true cost of money. "This is unlikely to continue; it is time to redress certain elements in this distorted balance."

In a reference to criticisms by the industry of subsidies for sales of European airliners, Mr Lamont said the British Government was sympathetic towards the efforts of the U.S. Administration to reduce the element of subsidy in supported export credit terms for aircraft sales.

He called for a new basis for aircraft financing which would reflect the commercial cost of money and would "neutralise competition in credit terms while recognising that the institutional situation in all markets may not be identical."

Sir Austin Pearce, chairman of British Aerospace, speaking after the Minister, agreed that aerospace projects should be profitable.

The U.S. helicopter manufacturer, Sikorsky Aircraft, is

willing to act as a catalyst with the U.S. Government "for acceptance of a 'two-way street' in future co-operative helicopter development/production programmes with international partners.

Mr Robert F. Danel, president of the United Technologies Sikorsky Aircraft Company, told delegates at the conference.

"Sikorsky, working with one or more international partners, would formulate a mutual risk, mutually funded business arrangement to invest the necessary technical skills and resources in a joint development programme with a mutual production programme on the same basis.

"It is Sikorsky's intention to continue to explore collaborative arrangements which go well beyond those formulated in the past. These arrangements will address the total issue of helicopter development, production and marketing."

The proposals could result in joint investment in "major technical breakthroughs which exist on tomorrow's horizons."

Mr Danel said the helicopter industry was small compared with the rest of aerospace, with eight manufacturers and 53,000 people able to make 2,500 helicopters a year.

"Unless we co-operate there is no room for all of us in the

FINANCIAL TIMES AEROSPACE Enters a new era CONFERENCE

present business structure. This suggests that some of us had better get together and face the problem of the cost of development and production head-on."

Admiral Sir Raymond Lygo, chairman and chief executive of the British Aerospace Dynamics group, in a paper on new developments in missiles, warned: "If we in this country fail to recognise that a new era of missile technology is dawning and fail to grasp and exploit the lead that our technology gives us, we will have missed the bus once again."

Britain was approaching the "age of third generation missiles," he said. These were becoming more multi-purpose and more complex.

Micro-processors and micro-chips had given Britain the ability to manufacture missiles able to accept changes in their computer programmes which

altered their characteristics and capabilities.

Hyper-velocity missiles were about to appear. These would have a "great effect on the design and characteristics of weaponry."

"Our ability to make a missile that has accelerated to the point where we can match the hyper-velocity speed with a suitable speed of reaction," Sir Raymond said.

Some of these missiles will have "no warhead and will depend only on their energy and high speed to destroy a target."

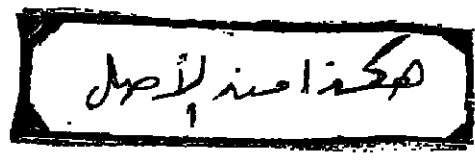
"We have the possibility for the first time of using missiles in the same way as shorter range, multi-purpose guns."

Mr Ivan Yates, group director of engineering and project assessment for the aircraft group of British Aerospace, in a paper on military aircraft, told delegates: "In a single field of aviation, military combat aircraft, we can expect to see an increasing proportion of agile fighters."

A second development would be an expansion of vertical and short take-off aircraft.

International collaboration works. The lessons we have learned from the past mean that it can be the future and we must seek to build on our past successes, such as Tornado."





UK NEWS

UK NEWS - LABOUR

Labour and TUC call for new start on transport

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

AN APPROACH to transport policy which would require the repeal of much of the Government's legislation on the subject was launched yesterday in a joint TUC-Labour Party statement. The document will be submitted to this year's TUC congress and Labour Party conference for approval. It is the first major statement on transport policy since the White Paper which led to the 1978 Transport Act.

Transport assuming a broader and more interventionist role than at present. The NTA, whose membership would consist of management, trade union, local authority and user representatives, would create a stronger lobby for public transport. The statement also calls for extensions to the Government's role in the form of legislation to increase local passenger services and to bind government and operators in a framework underpinning and financing minimum levels of service. A wider role is envisaged for the public sector in road haulage, ports and shipping.

ventures with the private sector will be examined positively as long as ultimate public control is not relinquished. Although it seeks to encourage the use of public transport, the statement does not include radical proposals to curb private cars. It does, however, float the idea of substituting increased petrol tax reflecting vehicles driven for the existing vehicle tax duty. Proposals for the road haulage industry include legislation to implement the recommendations of the Foster Committee on operators' licensing, published in 1978. Large-scale nationalisation of the industry has been ruled out and there is no commitment to rationalise the National Freight Company. It is, however, considered that "the NFC should form part of a public sector approach to road haulage."

Government denies duty to act on poor schools

By Michael Dixon, Education Correspondent

THE GOVERNMENT yesterday refused to accept a duty to take any action on reports by the state's independent educational inspectorate that local authorities are breaking the law by providing sub-standard schooling for children in their areas. The refusal came in the Government's reply to the mixed-party Commons Select Committee on education, which in February proposed that the Secretary for Education and Science should accept the onus of at least publicly explaining why no central action was being taken on adverse reports by the inspectorate.

In April the inspectors reported that of the 96 English local education authorities, only five were completely fulfilling their statutory duty to provide for pupils to be taught according to their ages, abilities and aptitudes. Another 79 of the authorities were unsatisfactory in one or two aspects of educational provision. The remaining 12 were viewed by the inspectorate as generally failing in their responsibilities under the Education Act.

TUC leaders urge support for health pay strikers

BY JOHN LLOYD AND IVO DAWNAT

PLANS to step up support by non-health unions to tighten the screw on the Government over NHS pay will be discussed today by the general council meeting in Brighton before the TUC Congress opens next week. Senior general council members will push for a statement from the council on the dispute to be put to the conference. It is expected that this will urge unions to widen the action, in preparation for a more general mobilisation of union support than that seen so far.

denmed Mr Norman Fowler, the Social Services Minister, for his "cynical handling" of the dispute, which, it said, had "neither morality nor logic." The executive urged Mr Fowler either to resume negotiations, or allow the issue to go to arbitration. Talks aimed at reaching a long-term formula for establishing nurses' pay rates resumed today amid deepening union gloom over their progress.

and to seek mediation. "We shall also be reminding the Secretary of State that he is accountable to Parliament for the state of the National Health Service." Mr Clay said there was no point in implementing "a glorious mechanism" for nurses' pay if the formula failed to incorporate an understanding on improvements in basic pay rates.

The statement will pre-empt emergency motions on the dispute which would come from the floor. The council is concerned to remain at the forefront of the health action in order to retain its control over it. Union leaders believe they have an issue which commands a measure of popular support, and will seek to use congress as a rallying point for the campaign to push up the Government's offer of 7.5 per cent for nurses and 6 per cent for ancillary staff.

Other nurses' bodies remain sceptical that any substantial advances can be made until the Government formally declares its position on the Megaw committee's findings on Civil Service pay comparability—expected this autumn. Mr Trevor Clay, general secretary of the Royal College of Nursing, will express his concern over the progress of the talks at a meeting with Mr Norman Fowler, the Social Services Secretary, tomorrow.

Unions would be seeking further information from Mr Kenneth Clarke, the Health Minister, on his recent comments that the Government acknowledged the need to deal with the "absolute levels" of nurses' pay. The restoration of former pay links between senior nurses and civil servants would be one way to approach the problem, he said. Sporadic industrial action continued throughout the country yesterday.

City leaflet campaign over BT considered

By David Goodhart, Labour Staff

THE POSTAL workers union is considering circulating leaflets in two or three major cities attacking the Government plans to privatise British Telecom. Mr Alan Tuffin, general secretary of the Union of Communications Workers, said yesterday the Post Office's home delivery service might be used as part of the anti-privatisation campaign backed by the BT unions.

The idea of sending free delivery to homes was suggested at the Campaign Against Privatisation Committee's inaugural meeting. The UCW, which represents 150,000 postal workers and 40,000 telephonists in BT, established that free delivery was not possible. It is investigating the cost of a campaign using leaflets. The cost of a nationwide leaflet campaign is estimated by the Post Office at £400,000. The Greater London area would cost £50,000. Representatives of the BT unions meet again tomorrow to work out details of a day of action planned for October 23. The anti-privatisation committee has agreed to recommend a one-day stoppage.

OFT criticises practice of refusing credit in certain areas

By David Churchill

COMPANIES that refuse to grant credit facilities to consumers living in certain areas were criticised strongly yesterday by Sir Gordon Borrie, director general of fair trading. Sir Gordon, speaking on the publication of an Office of Fair Trading paper on credit scoring, said he was "most uneasy that an arbitrary practice known as red lining, under which credit is refused to everyone living in a particular area, may be in use by some companies."

Royal Bank of Scotland to set up merchant unit

BY WILLIAM HALL, BANKING CORRESPONDENT

THE Royal Bank of Scotland is expected to announce the formation of Scotland's biggest merchant bank in the next few months and is considering hiring an outside merchant banker to run the unit. The British Linen Bank, owned by the Bank of Scotland, is the biggest merchant bank north of the border at present. The Royal Bank has been conscious for some time of the need to upgrade its services in this area to match competition from its Scottish rival and from the English merchant banks which are becoming increasingly active in Scotland.

BSC meets all 18 unions over transfer of bonuses to basic pay

BY OUR LABOUR STAFF

BRITISH STEEL Corporation officials yesterday met representatives of all 18 BSC unions to discuss the transfer of bonus payments into basic pay. Union officials stressed the importance for the future of the first ever joint meeting with all unions present. Mr Bill Irvine, executive member of the Iron and Steel Trades' Confederation, said: "This is an historic development. It will pave the way for much greater co-operation between the unions in the fight for survival."

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came a week after the announcement of rationalisation plans which could lead to the loss of up to 2,000 jobs. Mr Sirs said: "They just want to keep us frightened by hinting at more major closures. The American restrictions will only lose us sales of about 200,000 tons and our capacity is already below demand in this country."

ready staged and authorising "without prejudice" informal discussions on Megaw. It is unclear whether the SCPS will continue to oppose discussions when the council meets. Once a decision is taken, however, all unions are expected to be bound by it, even though the SCPS argues that to start informal discussions is tantamount to tacit acceptance of the report.

Exocet detector unveiled

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

A NAVAL radar system which could provide even small warships with early warning of sea-skimming Exocet missiles has been developed by Plessey, the electronics company. The AWS-6 will be launched formally at the Farnborough international air show next week with three other new or improved military and civil radar systems which Plessey unveiled in London yesterday. The Royal Navy is understood to be interested in that part of the AWS-6 used in the Sea Guard gun and radar anti-missile system. The new system's keynote was flexibility, the company said. So light it could be fitted in small warships and coastal patrol vessels, it has an 80 per cent probability of detecting a missile at long range. Thus it enables a ship's point defence system to track and destroy a missile six to eight seconds in the last seconds of its flight.

Breaking with British tradition

By James McDonald

HOTELS AND guest houses adjusting to the changing pattern of British holidaymaking, particularly the growing popularity of short breaks outside the traditional peak seasons. Next week the English Tourist Board, a pioneer in promoting the short-break concept, will launch its 1982-83 programme. But the East Anglia and South-east England Tourist Boards jumped the gun in Ely yesterday with the launch of their own Take a Break on a Budget brochure featuring 120 two-night package holidays in small hotels, guest houses, farmhouses and inns. The packages include two dinners and two English breakfasts and prices are mainly in the £20 to £25 per head range. A number of the packages include such extras as free theatre, a round of golf and horse riding.

Civil Service meeting expected to back talks on pay system

BY PHILIP BASSETT, LABOUR CORRESPONDENT

CIVIL SERVICE union leaders have called an urgent meeting of the Council of Civil Service Unions next Tuesday, which is expected to sanction the start of discussions with the Government on the Megaw report on civil service pay. Further union progress on Megaw was thought unlikely until the next scheduled meeting of the council, set for October. Agreement to the special meeting was reached in the face of opposition from the most militant union, the middle-class Society of Civil and Public Servants, which said no meeting should be held until the union's policy on Megaw was formulated. Other unions argued that

Balancing act in general council

BY JOHN LLOYD, Labour Editor

MANY UNION leaders, already gathered at Brighton for the TUC Congress next week, will be looking to Monday's debate on the structure of the general council as the most important of all. Yet it remains, to outsiders, relatively obscure. Its importance lies in the shift of political balance within the council once its structure is changed. Its obscurity resides in the complexity of the present system of electing the council, and the equal complexity of the system proposed to replace it. The present method of electing general councillors was established more than 60 years ago, and is based on the trade group concept. Under it unions are bunched into 18 groups ranging from the three mining unions in group one to the solitary General and Municipal Workers' group in 18, for general workers.

John Lloyd, Labour Editor, continues to preview this year's Trades Union Congress. In part three he looks at the problems created by trade group concept.

John Lloyd, Labour Editor, continues to preview this year's Trades Union Congress. In part three he looks at the problems created by trade group concept. The opposition to the automaticity principle, as it is known, has been fierce and has come largely from the left. In power terms, the left loses out by a new structure, since many of the small unions presently represented are left-led—such as the train drivers, the television technicians, the tobacco workers, the firemen and the musicians. The automaticity principle would replace many of these by medium-sized unions. Like the POEU itself, the bank employees, the second largest teaching union, two civil service unions and the craft printers, most of whom are right-led.

Pickets halt brick deliveries

PICKETS yesterday stopped brick deliveries leaving seven London Brick Company yards at Peterborough, Cambridgeshire, where 100 men are on picket lines demanding more pay in return for operating new working practices.

There has been much arm-twisting and lobbying in past months, and a major feature of congress will be to see how successful this has been. The Association of Scientific, Technical and Managerial Staffs and the National Union of Public Employees have been the target of much pressure—they voted for change last time and could swing congress back to status quo if they succumb. No matter how the vote may go, the spirit of change will not be laid to rest. If the anti-change lobby wins out it will need to put forward proposals of its own, and congress is to avoid a constant stream of votes on an issue which, while complex, is both divisive and crucial for the TUC's future.

Many stores oppose Sunday opening

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

MANY LEADING retailing groups are against liberalising Sunday trading laws, according to a survey of 38 large retailers. Together they employ more than 500,000. Most department stores were firmly against any change, as were most grocers. Most support for Sunday opening came from do-it-yourself retailers, and retailers such as Habitat and Rumbelows also backed the idea. The survey was carried out by the magazine Large Mixed Retailing. The debate on Sunday trading laws was reopened recently by Mr Iain Spreat, a junior minister at the Trade Department. He suggested that the Government might support a private member's Bill to extend shop opening hours. Attempts have been made over the past 20 years to alter the law restricting shop opening hours, but opposition from trade unions, retailers and religious groups has prevented any change securing parliamentary approval. In the survey, the 236-strong Fads do-it-yourself chain was one of the few such retailers to seem reluctant to embrace wholeheartedly any extension of shopping hours. It said: "Basically we hate the idea that it is coming but look on it as an evolutionary move in shopping habits. It will inevitably be a very expensive exercise as utility costs of heating, staff employment, etc. will simply drive up overheads."

Exocet detector unveiled

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APPOINTMENTS

Changes at F. H. Lloyd. Mr F. P. Greasley and Mr J. Dawson have been appointed to the board of F. H. LLOYD HOLDINGS. Mr Greasley becomes managing director of the furniture division. Mr A. D. Harris, managing director of the engineering, overseas and services divisions, and Mr W. A. Ringed, managing director of the steel division. Mr Dawson becomes administrative director and co-optee as company director. Mr David Evans has been appointed sales director of LONS STAR PRODUCTS, a Die Casting Machine Tools subsidiary. Mr John Rutson, whilst remaining a director of Die Casting Machine Tools, is also assuming responsibility for the sales and marketing of Crescent Tools. Mr William Simpson, general manager, private finance at the ROYAL BANK OF SCOTLAND, will retire on August 31. The Lords Commissioners of Her Majesty's Treasury have appointed Mr Henry Kewick as

director of the UK subsidiary of a Swiss group specialising in the design, manufacture and installation of turkney powder coating plant. Mr Michael J. Tong has been appointed to the new post of senior manager, Treasury. THE AUSTRALIA AND NEW ZEALAND BANKING GROUP with responsibilities for foreign currency and treasury operations in London. Mr Dennis A. Head has been appointed director of operations by GIBBS, the Belfast civil manufacturers. Recently, Mr Head held a similar position with Rolls Royce of Derby. Mr Leonard Holbrook, chief executive of WHITBROS, has been appointed to the board from October 1.

Balancing act in general council

BY JOHN LLOYD, Labour Editor

MANY UNION leaders, already gathered at Brighton for the TUC Congress next week, will be looking to Monday's debate on the structure of the general council as the most important of all. Yet it remains, to outsiders, relatively obscure. Its importance lies in the shift of political balance within the council once its structure is changed. Its obscurity resides in the complexity of the present system of electing the council, and the equal complexity of the system proposed to replace it. The present method of electing general councillors was established more than 60 years ago, and is based on the trade group concept. Under it unions are bunched into 18 groups ranging from the three mining unions in group one to the solitary General and Municipal Workers' group in 18, for general workers. Councillors are elected from each of these groups according to a separate numerical strength—though the representation often reflects past, rather than present, numbers. The National Union of Public Employees, for example, has twice the membership of the three mining unions taken together—but only one councillor against their two (both of whom come from the National Union of Mineworkers). The election is mounted at congress each year, and is generally a stogy affair. The biggest unions always get their traditional "quota" on the council, while the smaller unions generally owe their place to a mixture of industrial strength, like the train drivers'



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Bermuda, c \$45,000 + bonus (tax free)



A prominent and rapidly expanding independent oil company with a head office in Bermuda and subsidiaries in England is looking for a group controller to be based in Bermuda for a minimum of 2 years.

Reporting to the Company President, your responsibilities will cover statutory accounting, the provision of management information and cash management with particular emphasis on the collection and investment of funds.

A qualified accountant probably in your 30's, your experience should include management responsibility in commerce or industry.

Resumes including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B073.

**Coopers & Lybrand associates**

Coopers & Lybrand Associates Limited  
management consultants  
Shelley House Noble Street  
London EC2V 7DQ

## ACCOUNTANCY APPOINTMENTS

APPEAR EVERY THURSDAY  
Rate £29 p.s.c.c.

For further information please telephone  
Carmina Leon 01-236 9763



### Financial Acct

£12½K + car  
Manufacturing company—Berk.

### Management Acct

£11K  
Industrial company—Slough

### Company Acct

£9½K  
Electrical company—Berk.

### Management Acct

£12½K  
Computer company—Slough

For further details on these vacancies  
PHONE ROBIN CLARK AT NOEL ACCOUNTANCY  
ON SLOUGH 72447

## NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

THURSDAY 23rd SEPTEMBER 1982

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 23rd September 1982, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £29 per single column centimetre. Special positions are available by arrangement at premium rates of £35 per s.c.c.

Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

We will also be including in this feature a **GUIDE TO RECRUITMENT CONSULTANTS**

and entries in the guide will be charged at £40 which will include company name, address and telephone number.

For further details please telephone  
01-245 4782 or 01-236 9763

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER  
10 CANNON STREET, LONDON EC4P 4BY

## FINANCIAL CONTROL

Reinsurance Broking c. £15,000 + car

This position is with a growing non-marine reinsurance broking company which anticipates gaining direct entry to Lloyds within the next two years.

The board is seeking a future finance director who, besides controlling all accounting and financial functions within the company, will play an active part in general business management and development.

Preferred applicants are likely to be graduate chartered accountants aged 27-33 with experience, either directly or via audit management, of accounting and financial control in a major broking house. As important are the personal qualities and ambition to succeed in this environment. Equity participation is anticipated.

Please address brief personal and career details, in confidence, to Douglas G Mizon (ref. FT/292/M).



**Ernst & Whinney Management Consultants**  
57 Chiswell Street London EC1Y 4SY

## Prospective Partner

Abu Dhabi c.£20,000 + Extensive Benefits

An exceptional opportunity has arisen to control and expand the Abu Dhabi office of a medium sized UK firm of Chartered Accountants, as the existing local Partner is returning to his original office. The practice was opened two years ago, in conjunction with one in Dubai, to cater for the growing needs of both local and international clients.

This position calls for an experienced, mature professional (probably aged mid 30's) with commercial flair, an understanding or awareness of the Arab world, and all the qualities necessary to succeed in a demanding and competitive environment.

The earnings potential is high with a tax free salary, profit share, free accommodation, car and other benefits in keeping with such a position.

Please write to **John R. Ellis FCA at the London office**  
quoting reference JE/47/JPPF



**LLOYD OVERTON INTERNATIONAL**  
125 High Holborn, London WC1V 6QA  
Monaco House, Bristol Street, Birmingham B5 7AS

## INTERNATIONAL MANAGEMENT TRAINING AND CONSULTANCY

£18-20,000 neg.

**Personnel Resources Limited**

Our client is an internationally known and respected Consultancy Group, with well developed seminars, publications and management training programmes and excellent experience of major corporate assignments.  
The Group has successfully created Associate/Licensee connections in North and South America, South Africa, Europe and Scandinavia, the Far East and Australia, and now plans a major controlled expansion of activities in both existing and new operations.  
The new role within the London based management team provides directorship potential with responsibility for maintaining successful management of all present group activities with attention to financial and taxation management. Major emphasis will be given to business development through the introduction of new publications and management training programmes, and by extending associate/licensee operations. The potential for personal advancement is considerable, the Group is highly profitable with a sound foundation for future growth.  
It is expected that the role will entail travel of a minimum 12 weeks per annum, including some trips of 4-5 weeks duration.  
A preference has been identified for a Chartered Accountant aged 35-45 with experience of Training and Consultancy practices, and having the personal flair, ambition and organisational skills to succeed in a major management role.  
Call Robert Miles on 01-248 6321 for an initial exchange of information.

HILLGATE HOUSE, OLD BAILEY, LONDON EC4M 3HP.

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# Accountancy Appointments

## Chief Accountant

Rugby  
c.£17,500

Our Client, an enterprising International Group of Companies with activities in building, civil engineering, property development and leisure seek a first class Chief Accountant to be based in their Head Office in Rugby.

Whilst an accountant first and foremost, the successful applicant will be capable of leading and motivating a small established team and also assuming a functional responsibility for other accountancy staff within the Group. The ability to communicate with staff at all levels is therefore essential.

Applications are invited from qualified accountants aged between 30 and 45 with sound commercial experience covering all aspects of financial and management accounting using computerised systems.

Conditions of employment include executive level car, pension, life assurance, BUPA etc.

Write in confidence quoting reference 51771L, to E. M. Nell, 155 Queen Victoria Street, Blackfriars, London EC4A 3PD.



Peat, Marwick, Mitchell & Co.  
Executive Selection Division

## Financial Accountant

Oil Industry Central London

Marathon Oil U.K., Limited is part of a major US based international company with an impressive record of growth in the UK, including the Brae Field in the North Sea which is due to begin production next year.

Our continued expansion has created an opportunity for a recently qualified or finalist accountant to join a small team responsible for producing and interpreting financial information. Duties will include periodic revaluation of assets, joint venture accounting, generation of cash calls to partners, and review and analysis of corporate balance sheets.

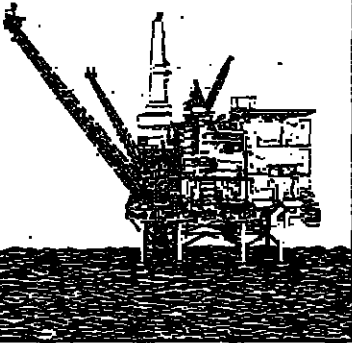
The position will appeal to an ambitious, professionally dedicated man or woman aged 23-30 who must have experience of multi-currency transactions gained within an organisation operating computer-based financial information systems.

We can offer a competitive salary and benefits package including a non-contributory pension scheme as well as excellent prospects for further career development.

Please phone for an application form or write with a full CV to:



David Payne,  
Recruitment Co-ordinator,  
Marathon International  
Petroleum (G.B.) Limited,  
Marathon House,  
174 Marylebone Road,  
London NW1 5AT.  
Telephone 01-486 0222.



## Management Accountant

S. England • Service Industry • c.£14,000 + car

We are seeking a high calibre, qualified accountant to join a rapidly growing, ambitious company which is already a market leader in its field.

Reporting to the Managing Director, the role will involve contributing to all aspects of business decision making. Basic financial information will be available, enabling you to concentrate on the aspects of analysis and interpretation, together with an involvement in the implementation of decisions.

The requirement is for a qualified accountant, probably in their late 20's or early 30's who combines good professional skills with a strong

outgoing personality. A background in a fast moving, commercially orientated, service environment is seen as highly desirable.

The above salary is an indicator and there is some flexibility above this for a candidate of exceptional quality. In addition our client offers a competitive range of fringe benefits including relocation assistance where necessary.

Candidates of either sex should apply, in confidence, quoting ref. 429/FT, to Johnson Wilson - Management Search, 67 High Street, Winchester, Hants., or telephone Winchester (0962) 53319 (24 hour service).

**JOHNSON  
WILSON** MANAGEMENT  
SEARCH

## Deputy Chief Accountant

£11,000 plus car

East Anglia

Our client, a subsidiary of a highly successful manufacturing group, is currently undergoing a phase of restructuring aimed at giving it significant new impetus and direction. Part of this programme is the continuing development of the accountancy function to support their manufacturing and commercial management.

As a result they now require a Deputy Chief Accountant who will report to the Chief Accountant and be responsible for the efficient day-to-day running of the Accounts Department. Other responsibilities will include the preparation of financial accounts, including consolidation of those figures for the group.

Applicants should be professionally qualified (probably A.C.C.A. or A.C.A.) and have several years experience in a manufacturing industry.

The attractive salary will be supported by an excellent range of benefits including a company car and contributory pension scheme. Assistance with relocation to this pleasant part of the country will be provided where applicable.

Please write enclosing full c.v. quoting ref. FT/502 and listing any companies to whom you do not wish your application forwarded, to Peter Barnes,

Riley Advertising (Southern) Limited,  
Old Court House, Old Court Place,  
Kennington, London W8 4PD.

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SALES/TRADING

ORION ROYAL BANK'S International Securities Department requires an experienced Salesman to specialise in non-dollar denominated primary and secondary fixed interest capital markets. Fluency in German and/or Dutch would be useful.

The appointment offers a first-class remuneration package including non-contributory pension, mortgage subsidy arrangements and health insurance.

Applications, which will be treated in the strictest confidence, should be addressed to:

Keith Wood - Personnel,  
Orion Royal Bank Limited,  
1 London Wall,  
London EC2Y 5JX  
Tel: 01-600 6222

ORION ROYAL BANK LIMITED  
A member of The Royal Bank of Canada Group

## Actuarial Opportunities

With a history of innovation, Abbey Life has become one of Britain's largest and most successful life assurance companies. Our success and rapid growth is, to a large degree, due to the creative skills of our expanding actuarial team.

We are particularly interested in people who will welcome the challenge of working in an environment where new ideas are readily received.

### Actuarial Students

We require two actuarial students with at least four examination passes to join us at our Bournemouth Head Office.

One will work in Product Management on the development of new products and the management of our existing product range.

The other student depending on experience could work in either our New Developments or Financial Analysis areas, carrying out research into fields of business activity or analysis of the company's current and planned financial position.

### Graduate Trainees

We also require two high calibre graduates in mathematics, one to join Abbey Life Investment Services in London and the other to progress through the mainstream actuarial departments in Bournemouth.

For these positions there is a substantial remuneration package, including a subsidised mortgage scheme, Pension benefits and Life cover. Generous relocation expenses are available for the more senior appointments.

Please write with career details or telephone for an application form to:  
J.R. Gamble B.Sc. F.I.A., Executive Director,  
Abbey Life Assurance Company Limited,  
Abbey Life House, 80 Holdenhurst Road,  
Bournemouth BH8 8AL.  
Tel: Bournemouth (0202) 292378



**Abbey Life**

## INVESTMENTS MANAGER

Circa £14,500 plus Car and Benefits

As a consequence of the retirement of the present Investments Manager and the re-organisation of the department, the Society is seeking to recruit a Manager of the department in Halifax which is responsible for the investment of the Society's liquid funds. The total investments now exceed £2,400 million.

Applications are invited from suitably qualified persons with a minimum of five year's experience operating in the money and financial markets at a senior managerial level.

The Society offers good working conditions, a progressive salary and the usual benefits including a staff mortgage scheme.

Applications will be treated confidentially and should be addressed to:

H. Goutrey FCS, General Manager (Staff),  
Halifax Building Society, PO Box 67,  
Trinity Road, Halifax, West Yorkshire HX1 2RG.

They should contain full personal and career details. Closing date for applications 20th September 1982.

**HALIFAX**  
BUILDING SOCIETY

## WANTED:

### SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career.

To learn how 'slightly used' executives have profitably renewed their careers, telephone for a free, confidential appointment with a consultant, or send us your cv.

**CHUSID**

The Professionals in Career Counselling  
London: 01-580 6771  
35-37 Fitzroy St., W.1.  
Birmingham: 021-643 4830  
The Rotunda, New Street.

Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.  
Glasgow: 041-204 0942, 11 Bothwell Street.

We are also specialists in 'Outplacement' for organisations, through our affiliated company Lanser Corporate Services Limited.

## BANKING SYSTEMS

London Based £14,000 - £18,000

We are the management consultancy arm of one of the largest international accounting firms and are seeking additional professionals with good experience of banking systems to join our growing team.

Much of our work is involved with banks and related financial institutions. Consultants will advise clients both in the UK and in the Middle East on the selection, design and implementation of computerised banking systems.

Applicants, aged 28 to 35, should have a relevant professional qualification and/or a good university degree and some years experience of the design and implementation of banking systems. This may have been gained either with a systems supplier or with a user and should include taking at least one major project to a successful implementation.

We can offer excellent opportunities for increasing work experience and career progression in an expanding firm. An attractive salary will be paid together with the benefits associated with a large international firm. Please send relevant details to P Wagstaff at the address below.



Ernst & Whimney Management Consultants  
57 Chiswell Street London EC1Y 4SY



## INTERNATIONAL BOND SALES

Skandinaviska Enskilda Banken is currently in the process of setting up an international capital markets subsidiary in London and is seeking experienced personnel for its bond sales team.

Successful candidates will be able to demonstrate a proven ability to deal with major international investors' portfolio requirements. They will be expected to work in an environment which emphasises a team approach to the creation and execution of clients' needs. The ability to communicate in more than one language will be an asset.

The positions will represent a challenging opportunity to join a new operation with substantial financial resources and will appeal to those people who are interested in developing a diverse and well-rounded career in investment banking.

An attractive remuneration package has been designed to include the usual benefits associated with such positions, including a performance bonus scheme.

Candidates should apply, in writing or by telephone to:

Mr W Bryan Neilson  
9th Floor, 26 Finsbury Square  
LONDON EC2  
Telephone: 01-638 3500

All applications will be treated in strictest confidence.

### DIRECTOR

Outward Bound Trust  
£18,000 + car London

to be responsible through marketing and publicity for maintaining the flow of some 8,000 students to 5 Outward Bound centres, the raising of charitable funds, co-ordinating the activities of the schools and for financial and general administration. A degree or equivalent qualification is desirable together with evidence of successful senior management with financial responsibility in industry, commerce or education. Likely age 45-55. Salary £18,000 plus car. London base.

Please send full career details, in confidence, to A. E. Forrest, tel. 81188, MSL Management Consultants Ltd, 7 Stratton Street, London W1X 8DZ, to arrive by 17th September 1982.

### PRIVATE CLIENTS

Owing to an increasing workload, a firm of City stockbrokers has a vacancy in its Private Client department.

The requirement is for a person with some years' investment experience who will be capable of taking over existing portfolios after a short introductory period.

Please reply, giving details of your career to date, to:

The Senior Partner  
**GALLOWAY & PEARSON**  
Warford Court, Throgmorton Street  
London EC2N 2AU

## Senior Banking Appointments

**SENIOR CORPORATE LENDING** Salary c £20,000  
Established European Bank wishes to maintain and develop their corporate lending activities. The candidate will be responsible for all new business and have in-depth experience of credit and trade related transactions including letters of credit and ECGD.

**INTERNATIONAL AUDIT** Salaries up to £16,000  
Major US Bank is recruiting an assistant manager level for its overseas audit team (up to 60% travel). Banking and auditing background necessary.

**BOND SALES** Salary c £15,000  
Active bond department needs additional salesman to handle increased business.

**SENIOR ACCOUNTS** Salary £10,500  
An opportunity to join a developing US Bank and take control of their accounts department, responsibility for B of E returns and IBM 34 data processing.

**NEW ISSUES/BUSINESS DEVELOPMENT** Salary Neg.  
Merchant banking arm of major international bank offers exceptional career opportunity for young graduates with some experience of capital markets.

**LEASING ADMINISTRATION** Salary to £18,000  
We currently have assignments for candidates with proven credit/risk analysis skills, and experience of evaluations, documentation, encompassing both big ticket and small unit transactions.

**MARKETING EXECUTIVE - LEASING** Salaries to £18,000  
Leading city based merchant bank require an executive with experience of seeking, negotiating, and structuring big ticket, major asset leasing transactions. Candidates must have a degree or professional qualification. Age c 30.

PLEASE CONTACT: David Little or Brian Gooch.

**Jonathan Wren** BANK RECRUITMENT CONSULTANTS  
170 Bishopsgate - London EC2M 4LX - 01 623 1266





## CORPORATE FINANCE MANAGER

Skandinaviska Enskilda Banken is currently in the process of setting up an international capital markets subsidiary in London and is seeking an experienced executive to be a manager in its corporate finance department.

The corporate finance department will undertake advisory work, equity listings and placements, preparation of eurobond issues, loan syndications and other fee-earning activities.

Candidates should preferably have a professional qualification in addition to a good University degree and have a minimum of five years' experience in the corporate finance field.

The successful candidate will be a highly-motivated individual who will work well in a team environment.

The position will carry an attractive salary and remuneration package.

Candidates should apply in writing to:

Mr. S. I. Maizels  
9th Floor, 26 Finsbury Square  
London EC2

All applications will be treated in strictest confidence.

## Commercial Manager

Around £18,000 + Car  
Health Care Operations  
and Consultancy

International Hospitals Group, a British company with £50m turnover and significant planned growth, provides management, operations and planning advice for international medical projects.

The Commercial Manager, based in the new Head Office in Bucks but with considerable overseas travel, will have two prime duties: supporting the Marketing Division in the detailed negotiation of contracts; and advising other specialist departments in the drawing up of contracts to reduce both commercial and medical risks.

Candidates, 35 to 45, ideally qualified in commercial law, must have extensive commercial experience gained in, for example, overseas contracting or turnkey projects in the Middle East; experience of dealing with UK Government contracts desirable.

Usual benefits and relocation assistance if necessary.

Please write - in confidence - stating how the requirements are met to Lionel Koppen ref. B.42136.

This appointment is open to men and women.

**MSL**  
Management Selection Limited  
International Management Consultants  
52 Grosvenor Gardens London SW1W 0AW

## CHIEF EXECUTIVE

Public Company £25,000

If you have an impressive record in managing a company and are marketing orientated aged between 30 and 45 looking for the optimum opportunity in your career development, you should apply for this position.

Our client, a major diversified public company, requires a Chief Executive to consolidate its market leadership in residential mobile home estates within the UK. It is envisaged that further residential parks will be acquired. The company insists upon sensitivity to environmental considerations and amenities.

Reporting to the Chairman, the successful candidate will have full profit responsibility and will be expected to make a significant contribution at main board level after the initial period. The position is very demanding calling for long hours, good communicative skills and high drive.

A salary up to £25,000, generous non contributory pension plan, company car and relocation expenses to the Northern home counties if necessary.

Applicants, male or female, please telephone Brian Smith, Director-Recruitment on 01-903 9477 quoting Ref. No. M2220, or write to Aplin Phillimore Associates, Circle House North, 69-71 Wembley Hill Road, Wembley HA9 8BL.

## APLIN PHILLIMORE

### Institutional Sales

Stockbroking firm with substantial international business seeks two enthusiastic young individuals to join existing sales team for Australian and Far East desks.

The ideal candidate will probably have a university degree and relevant investment experience, but may be an accountant or journalist with regional experience. The successful candidate will definitely have flair, an appetite for success and the desire to travel. A competitive remuneration and stimulating working conditions await the successful applicant.

Please reply with cv to: Box A7950,

Financial Times, 10 Cannon Street, London EC4P 4BY

### BANKING OPPORTUNITIES

**BUSINESS DEVELOPMENT** £20,000+  
A professional banker is required by a well-known international bank to take on responsibility of marketing the bank's services in Eastern and Central Europe. Applicants should be mid 30's, fluent in German and French, have first-hand experience of the market preferably gained in an American bank and possess appropriate qualifications for this senior position.

**FOREIGN EXCHANGE** £20,000+  
An international bank requires a senior foreign exchange dealer with at least four years' experience in most currencies, both spot and forward. Applicants should be aged late 20's and be a known professional in the market.

**EUROBOND DEALER** c. £16,000  
An experienced Eurobond dealer, mid 20's, is required by a senior bank name in the market. Applicants should be experienced in writing and conversions.

**BUSINESS DEVELOPMENT** c. £12,500  
An experienced international banker is required, aged over 25, by a prime listed bank. Duties will be to develop a range of new products and services which can be marketed to bank clients. A broad based banking experience is therefore paramount.

**CREDIT MANAGER** c. £12,500  
Credit manager, aged late 20's, is required by U.S. bank to head a small unit of three people dealing with UK corporate middle market, high risk business. Experience in leasing and hire purchase finance preferable.

**MARKETING EXECUTIVE** c. £10,000  
Merchant bank requires a business development specialist to market the bank's services to corporate customers. Applicants should be late 20's, self-motivated, well-educated and prepared to travel.

**LJC Banking Appointments Ltd.**  
170 BISHOPSGATE, LONDON EC2M 4LX  
01-283 9953

**David Grove Associates**  
Bank Personal Recruitment  
60 Cheapside, London EC2V 6AX.  
Telephone: 01-248 1855.

### FOREIGN EXCHANGE/TREASURY MANAGERS £ Neg

We act for a number of International Banks who currently seek to appoint Managers of their Foreign Exchange/Treasury business. Vacancies are available in London and Bahrain. Candidates will have had successful careers in this area and be holding Chief Dealer or Treasury Management positions in established Banks.

We also have a number of Foreign Exchange Dealing vacancies.

### MANAGER-CORPORATE FINANCE min. £25,000

This position with a highly reputable Bank calls for considerable experience in the corporate finance department of an Accepting House, probably as a team leader. Candidates should be keen to develop new business. The remuneration package is very negotiable.

### CREDIT OFFICER c. £13,000

London branch of substantial International Bank seeks an experienced Credit Analyst, formally trained, with recent experience of developing business in the U.K. Fluency in German would be a considerable advantage.

In respect of the above appointments please contact:  
David Grove on 01-248 1855

## Assistant Gilt Fund Manager

Due to continuing expansion, Allen Harvey & Ross Investment Management are seeking an assistant fund manager for their diversified gilt and fixed-interest portfolios.

The successful applicant is likely to be in their mid-20s and will already have had two to three years' experience of dealing in the gilt edged and fixed-interest markets.

A competitive salary will be paid, commensurate with age, together with the normal fringe benefits.

Applications in writing, with full cv including current remuneration, should be addressed to MA Lawrence, Managing Director, at the address below.

**Allen Harvey & Ross**  
Investment Management Limited,  
1 King William Street, London EC4N 7AU.

## A direct line to the executive shortlist

InterExec is the leading organisation specialising in the confidential promotion of senior executives.

InterExec clients do not register with agencies, apply for jobs, write letters or find vacancies.

InterExec's 40 staff, with access to 100+ unadvertised vacancies a week, negotiate new appointments discreetly.

For a mutually exploratory meeting telephone:

**InterExec**

London 01-930 5041/8  
19 Charing Cross Rd, W.C.2.  
Birmingham 021-643 2924 22 Suffolk St.  
Bristol 0272 277315 30 Baldwin St.  
Leeds 0532 450243 Enterprise House, 12 St. Paul's St.  
Manchester 061-236 6409 Faulkner House, Faulkner St.

### The one who stands out

### CREDIT ANALYSIS

### INTERNATIONAL BANKING

£8,000 - £10,000

**AGE:** Probably about 25.  
**EDUCATION:** Ideally a Graduate; possibly good O/A levels, plus A.I.B. or similar qualification.  
**EXPERIENCE:** Around 2 years training and direct involvement in financial analysis/credit appraisal, preferably within international banking.

Excellent prospects are offered by a number of active international banks to people who match up to this specification.

To measure these opportunities against your own career objectives, telephone to arrange a meeting with Ann Costello or John Cliverton.

**JOHN CHIVERTON ASSOCIATES LTD.** 4/5, CASTLE COURT, LONDON, EC2, 01-622-3961.

## BANKING NORTHERN REPRESENTATIVE

Challenging opportunity for self-motivated experienced Commercial Banker with knowledge of Leeds and Manchester business communities to establish and run Northern Representative office for London-based International and Domestic Bank.

Attractive remuneration package offered for suitable applicant aged between 35-45.

Apply in writing with full cv, to

Mrs. M. N. Carr, c/o Linklaters and Paines Barrington House, 59-67 Gresham Street, London EC2V 7JA.

**EUROPEAN CURRENCY MANAGER** in Brussels, Salary £12,000, 5 days a week, 9.30-5.30, 01-222-0000, 01-222-0000, 01-222-0000, 01-222-0000.  
**SETTLEMENTS CLERK** (all round) Merrill Lynch, 25 Bankers' Buildings, City, London, EC2, 01-622-3961, 01-622-3961, 01-622-3961, 01-622-3961.

### Gilt Edged Department

## MONTAGU, LOEBL, STANLEY AND CO.

In order to expand our established Gilt Edged Department we require further sales staff.

Applicants should have Gilt Market experience, which will probably have been gained with a firm of stockbrokers.

Remuneration is negotiable, depending upon experience.

Please reply with full particulars to:

**CHARLES PENDRED**  
MONTAGU, LOEBL, STANLEY AND CO.  
31 SUN STREET  
LONDON EC2 2QP  
01-377 9242

## Eurobond Dealer

We seek a Bond Dealer of proven ability to join a small but well-established team in our new dealing room.

Candidates should be in their mid/late twenties and have at least three years' experience of trading in fixed-interest securities, gained preferably in the professional sector of the market.

Remuneration will be competitive and related primarily to experience. Initial salary will be reviewable after six months.

Applications, which will be treated in the strictest confidence and should be accompanied by a full cv, should be made to Mr. Christopher Hoysted at:



## Swiss Bank Corporation International Limited

Three Keys House, 130 Wood Street, London EC2V 6AQ.

## Acquisition Management

Our clients, a British organisation in London, are committed to major investment in a range of ventures mainly in biotechnology, fine chemicals and new materials and to their ongoing management.

Acquisitions are identified, studied, negotiated, implemented and monitored by a team of successful executives. The new appointment is needed to deal with a growing workload and will be at a senior level.

We would like to hear from men or women, aged 28-40, with a science degree, understanding of company funding, and a varied management background including acquisition work. The job will go to an exceptionally able person whose record demonstrates an ability to think conceptually and get things done and the potential for progression to general management.

Target salary £18-20K but could be more. Car and large company conditions. Please write in confidence with CV and salary indicator to Terry Turner.

**EXECUTIVE PRESELECTORS**  
8a Symons Street Sleane Square London SW3 2TJ

### Top Executives

Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management counsellors have all been engaged in a Top Management search. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

**MINISTEL EXECUTIVE LTD.** 26 Bolton Street, London W1Y 6ER. Tel: 01-492 10000

## Assistant Vice President

### Foreign Exchange Marketing

Merrill Lynch International Bank is experiencing a rapid expansion of its customer foreign exchange business and requires an experienced individual to assist in marketing these services to its clients in Europe and the Middle East.

The ideal candidate will have previous banking experience in a foreign currency advisory capacity and be skilled in the technical analysis of currency movements.

Compensation will be commensurate with your experience and qualifications.

Please address all enquiries to:  
Personnel Administration  
Merrill Lynch Holdings Ltd.  
27 Finsbury Square London EC2A

(No agencies)

**Merrill Lynch**

## FINANCIAL SERVICES

c. £30,000.

The Colegrave Group is currently based in London and now want to create country-wide representation. We are a financial services group providing tax, estate and other investment services for companies and private individuals. We supply a highly specialist service in which our products are in great demand. We are looking for agents who are experienced in financial services such as leasing, pension funds, life insurance, business and other services. We are also prepared to consider executives without this experience as we will provide a full training programme. The agents will be provided with all possible backup, travel and home office support. Generally they will work in their own areas but could have an office in London. They will be expected to take charge of existing clients within an area as well as creating new business.

Please contact:

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# BUSINESS LAW

## The EEC's training college

By A. H. HERMANN, Legal Correspondent

A REMARKABLE judgment was handed down by Mr Justice Dillon in the Chancery Division of the High Court in July which — if reversed — might well open up access to free higher education in the UK to all enterprising EEC nationals. The dispute was between Mr Tariach Joseph MacMahon, a national of the Irish Republic, and the Department of Education and Science, the London Borough of Redbridge and St Mary's College, Richmond upon Thames. Mr MacMahon won, but there may be an appeal.

Mr MacMahon, who was born and brought up in the Irish Republic, came to England in June 1978. On August 27 1978 he started employment as a production worker with Ford at Dagenham, but soon afterwards decided that he wanted to become a teacher. He applied for a place on a one-year course at St Mary's, an approved teacher training college. When he was accepted he gave up his job at Ford and completed his course on June 13 1980. It seems that his employment with Ford lasted one year at most.

Educational authorities in England have a duty to award a grant to any student attending a designated course such as that at St Mary's, but there are certain exceptions. There is no duty to provide educational grants to a person who has not been ordinarily resident in the UK for the preceding three years. Mr MacMahon clearly fell within this exception and, accordingly, he was refused the award and was also required to pay college fees at the higher rate applicable to foreign students.

Having completed the course, Mr MacMahon obtained a job as a teacher, and brought an action in the High Court against the Department of Education and more competitive race than appears on paper. My idea of a better each-way bet is Mr George Ward's Damascus filly Ecstasy. This attractive filly out of a half-sister to the King's Stand Stakes winner Flying Around has failed to produce her best since a maiden race at Chester in May.

### RACING

BY DOMINIC WIGAN

EIGHT FILLIES, one more than a year ago, are due to line up for today's 1.30pm Maiden Stakes at York. The only filly who has failed to produce her best since a maiden race at Chester in May.

Although Triple Tipple, who recently ran so well in France, is entitled to start favourite, she is likely to be at unrealistic odds in what usually proves a

all the other authorities involved, claiming that the requirement of three years' residence discriminated against EEC nationals not resident in the UK, and that for this reason it must be considered as null and void under EEC law. He relied mainly on EEC Regulation No. 1612/68, safeguarding EEC workers' freedom of movement from one member country to another. Article 7 of this Regulation provides that a worker from another member state may not be treated differently from national workers in respect of any conditions of employment, in particular as regards remuneration, dismissal

However, the interpretation of EEC law by the European Court places the purpose of the legislative act above the grammatical analysis of the text. It was recognised by Lord Denning that English courts would have to adopt the purposive method of interpretation whenever EEC law is at issue. There is no doubt that the purpose of the 1968 EEC Regulation was to secure for workers throughout the EEC equality of treatment, not only in respect of employment, pay and other terms but also in respect of employment if dismissed in the case of redundancy and of retraining, if necessary. The provisions requiring that they should have equal opportunity for vocational retraining must be understood in the context of the entire Regulation. It was designed to secure to nationals of other member states the vocational training available to nationals similarly employed, either for the purpose of advancing their careers or to enable them to obtain alternative employment when they have lost their jobs through redundancy or disability.

According to a Chancery judgment, the three years' residence test for the UK's higher education grants must not be applied to EEC nationals other than Britons

or employment. Paragraph 3 of Article 7 provides: "He shall also, by virtue of the same right, and under the same conditions as national workers, have access to training in vocational schools and retraining centres." The first question which the judge had to decide was whether a teacher training college was vocational training meant by the EEC Regulation. He interpreted the text by grammatical analysis for the interpretation of English statutes and arrived at the conclusion that what the Regulation meant was any training which was intended to qualify a person for a particular vocation, not necessarily related to the job he was doing. It could include a course at a school, a law school or a teacher training college, such as St Mary's.

However, one can argue that the test of residence is designed to ensure that a subsidy for vocational training is awarded from public funds only to those who (or whose parents) have already contributed to society by their work and to public funds by paying taxes. The consequences of the judgment may be far-reaching. It would be a pity if the Court of Appeal was not given an opportunity to consider it.

it depended on whether the test could be objectively justified on other grounds.

More recently, the court dealt with the question of discrimination in the equal pay case of Mrs Josephine Kingsgate. In that dispute the court was asked to say whether a lower rate of pay for part-time work was discrimination against women in view of the fact that part-time workers were predominantly women. The court held that the lower rate for part-time work would indeed be discriminatory and prohibited under EEC law if such a pay policy of the undertaking in question cannot be explained by factors other than discrimination based on sex.

Applying this rule to the MacMahon case, one has to ask whether the condition of three years' residence, on which the grant of an award depends, cannot be explained by factors other than discrimination based on nationality. The judge rejected the argument that those who had resided in the UK for at least three years were likely to derive more benefit from vocational training and would be more likely to remain to practice their vocation.

However, one can argue that the test of residence is designed to ensure that a subsidy for vocational training is awarded from public funds only to those who (or whose parents) have already contributed to society by their work and to public funds by paying taxes. The consequences of the judgment may be far-reaching. It would be a pity if the Court of Appeal was not given an opportunity to consider it.

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### BBC 1

- 6.40-7.55 am Open University (ultra high frequency only). 9.20 Scooby and Scrappy Doo. 9.40 Jackanory. 9.55 The Wombles. 10.00 Take Hart. 10.20-10.30 Play Chess. 11.25-11.30 Putter's Wheel (an "Interlude" film). 1.00 News After Noon. 1.30-1.45 Mr Bean. 4.15 Gooney Birds "Taking Off" (a children's interlude film). 4.18 Regional News for England (except London). 4.20 Play School. 4.45 The All New Popeye Show. 6.05 John Craven's Newsround. 6.10 Spatch. 6.40 News. 6.00 Regional News Magazines. 6.25 Monty Python's Flying Circus. 6.55 Medical Express: Medical Magazine programme including Diets and Slimming. 7.25 Top of the Pops with Jimmy Saville, OBE. 8.10 Fame. 9.00 News. 9.35 Are We Being Served? The ordinary public are given the chance to investigate a public industry. "The Age Old Problem."

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- 9.30 am Sesame Street. 10.30 Spread Your Wings. 10.55 Spangly. 11.25 The Elmer Fudd Show. 11.55 The Young Doctors. 1.30 Spiderman. 1.20 pm Border News. 4.20 Sport Billy. 4.45 Father Murphy. 6.00 Lookaround Thursday. 6.35 Crossroads. 10.20 Week: "Gunfight At The OK Corral," starring Kirk Douglas and Burt Lancaster. 10.30 Central '82. 11.00 Dr Sweet-Tooth. 11.30 John Grant. 12.30 am People Like Us. 9.30 am European Folk Tales. 9.40 History Around You. 9.55 The World We Live In. 10.20 Young Ramsay. 11.05 Concert. 11.30 Spiderman. 1.20 pm Border News. 4.20 Sport Billy. 4.45 Father Murphy. 6.00 Lookaround Thursday. 6.35 Crossroads. 10.20 Week: "Gunfight At The OK Corral," starring Kirk Douglas and Burt Lancaster. 10.30 Central '82. 11.00 Dr Sweet-Tooth. 11.30 John Grant. 12.30 am People Like Us. 9.30 am European Folk Tales. 9.40 History Around You. 9.55 The World We Live In. 10.20 Young Ramsay. 11.05 Concert. 11.30 Spiderman. 1.20 pm Border News. 4.20 Sport Billy. 4.45 Father Murphy. 6.00 Lookaround Thursday. 6.35 Crossroads. 10.20 Week: "Gunfight At The OK Corral," starring Kirk Douglas and Burt Lancaster. 10.30 Central '82. 11.00 Dr Sweet-Tooth. 11.30 John Grant. 12.30 am People Like Us.

### TELEVISION

#### Chris Dunkley: Tonight's Choice

Tonight's choice is not to watch the box at all (with the exception of one 12 year old repeat) but either to listen to the radio or, if you live close enough, to go to London's National Film Theatre. It is increasingly the case that for those who take television seriously—whether in terms of social studies, drama, or even undemanding entertainment—the NFT provides a much better student's showcase than television itself. The three-week season called What's Happened to Heroes? starting at the NFT tonight is a prime example. While BBC Television continues to show an odd assortment of old programmes in its celebration of "60 BBC Years" with a comedy repeat here and another chance to see a 20-year-old play there, the NFT has brought together 20 examples of British police series from the last 25 years. They start tonight with The Blue Lamp (the cinema film which created the George Dixon character) plus a 1956 episode of Dixon of Dock Green, and they continue for three weeks via "Z-Cars," "Softly Softly," and "Law and Order" to "The Gentle Touch" and "Juliet Bravo."

Falling that, on Radio 3 and 4 at 7.30 you can hear Proms 82 with Haydn's Oxford Symphony, Jorge Bolet playing Liszt, and then Sibelius's Symphony No. 1. The repeat is BBC 1's 1970 episode of Monty Python's Flying Circus but that's at 6.25.

### BBC 2

- 6.40-7.55 am Open University. 9.20 Scooby and Scrappy Doo. 9.40 Jackanory. 9.55 The Wombles. 10.00 Take Hart. 10.20-10.30 Play Chess. 11.25-11.30 Putter's Wheel (an "Interlude" film). 1.00 News After Noon. 1.30-1.45 Mr Bean. 4.15 Gooney Birds "Taking Off" (a children's interlude film). 4.18 Regional News for England (except London). 4.20 Play School. 4.45 The All New Popeye Show. 6.05 John Craven's Newsround. 6.10 Spatch. 6.40 News. 6.00 Regional News Magazines. 6.25 Monty Python's Flying Circus. 6.55 Medical Express: Medical Magazine programme including Diets and Slimming. 7.25 Top of the Pops with Jimmy Saville, OBE. 8.10 Fame. 9.00 News. 9.35 Are We Being Served? The ordinary public are given the chance to investigate a public industry. "The Age Old Problem."

### LONDON

- 9.30 am Tree-Trunk Apartment. 9.45 Amused Classics. 10.30 History of the Grand Prix. 11.05 Adventures of Niko. 11.30 Paint Along with Nancy. 12.00 Gideon. 12.10 pm Get up and Go. 12.30 The Sullivans. 1.00 News, with Leonard Parkin, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Emmerdale Farm. 2.00 Here Today. 2.25 Racing from York, covering the 2.30, 3.00 and 3.30 races. 3.45 The Glamour Girls. 4.15 Sylvester. 4.20 Father Murphy. 5.15 Survival. 5.45 News. 6.00 Thames News with Rita Carter and Colin Baker. 6.30 Thames Sport. 7.00 "The Heroes of Telemark," starring Kirk Douglas, Richard Harris, Ulla Jacobsson, and Michael Redgrave. 9.30 The Best of Health? 10.00 News. 10.30 Thriller: Michael Jayston and Helen Mirren in "Kiss, Kiss, Kill, Kill!" 11.55 What the Papers Say. 12.15 am Close: Sit up and Listen with the Reverend Peter Lewis.

### TVS

- 9.30 am Unraved World. 10.00 Paint Along with Nancy. 11.30 "The Catcher in the Rye," starring James Baxter, Leslie Phillips and Stanley Robertson. 12.00 Gideon. 12.10 pm Get up and Go. 12.30 The Sullivans. 1.00 News, with Leonard Parkin, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Emmerdale Farm. 2.00 Here Today. 2.25 Racing from York, covering the 2.30, 3.00 and 3.30 races. 3.45 The Glamour Girls. 4.15 Sylvester. 4.20 Father Murphy. 5.15 Survival. 5.45 News. 6.00 Thames News with Rita Carter and Colin Baker. 6.30 Thames Sport. 7.00 "The Heroes of Telemark," starring Kirk Douglas, Richard Harris, Ulla Jacobsson, and Michael Redgrave. 9.30 The Best of Health? 10.00 News. 10.30 Thriller: Michael Jayston and Helen Mirren in "Kiss, Kiss, Kill, Kill!" 11.55 What the Papers Say. 12.15 am Close: Sit up and Listen with the Reverend Peter Lewis.

### TYNE TEES

- 9.30 am The Good Word. 9.55 North-East News. 10.30 "The Catcher in the Rye," starring James Baxter, Leslie Phillips and Stanley Robertson. 12.00 Gideon. 12.10 pm Get up and Go. 12.30 The Sullivans. 1.00 News, with Leonard Parkin, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Emmerdale Farm. 2.00 Here Today. 2.25 Racing from York, covering the 2.30, 3.00 and 3.30 races. 3.45 The Glamour Girls. 4.15 Sylvester. 4.20 Father Murphy. 5.15 Survival. 5.45 News. 6.00 Thames News with Rita Carter and Colin Baker. 6.30 Thames Sport. 7.00 "The Heroes of Telemark," starring Kirk Douglas, Richard Harris, Ulla Jacobsson, and Michael Redgrave. 9.30 The Best of Health? 10.00 News. 10.30 Thriller: Michael Jayston and Helen Mirren in "Kiss, Kiss, Kill, Kill!" 11.55 What the Papers Say. 12.15 am Close: Sit up and Listen with the Reverend Peter Lewis.

### YORKSHIRE

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### RADIO

- 5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Paul Burnett with the Radio 1 Roadshow from Falmouth. 12.30 pm Newsbeat. 1.45 Day After News. 2.30 Newsnight. 4.30 Peter Powell. 7.00 Walter's Weekly. 9.00 Mark Elias. 10.00-12.00 John Peel (S).

### RADIO 2

- 5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.30 Diane Dora (S). 2.00 pm News. 4.00 David Hamilton (S). 5.45 News. Sport. 6.00 Jan Leeming (S). 6.30 Country Club, with Wally Whymon (S). 8.00 Alan Dale with Band Sound (S). 9.55 Sports Desk. 10.00 On Mother. 10.30 Star Spangled Extra. 11.00 Brian Matthew with Round

### RADIO 3

- 6.55 am Weather. 7.00 News. 7.05 Morning Concert. (continued). 9.00 News. 9.05 This Week's Composers: The Strauss Family (S). 10.00 British Orchestral. 10.30 The Woodmen. 11.05 Bartok (S). 11.25 Music for Piano by Faure and Chausson (S). 12.10 pm Scottish National Orchestra. Part 1 (S). 1.00 News. 1.05 Scottish National Orchestra, part 2 (S). 1.45 Stuttgart Piano Trio (S). 2.50 i Cavalletti di Edebu" opera in four acts

### RADIO 4

- 6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Caravan. 6.30 Late News. 6.45 Mole. 8.57 Weather. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 The Gannet. We Saw, We Stayed. 10.30 Daily Car-

### RADIO

- Midnight: from the Edinburgh Festival (see: from midnight). 1.00 am In Concert (S). 2.00-5.00 You and the Night and the Music (S).

### RADIO 3

- 6.55 am Weather. 7.00 News. 7.05 Morning Concert. (continued). 9.00 News. 9.05 This Week's Composers: The Strauss Family (S). 10.00 British Orchestral. 10.30 The Woodmen. 11.05 Bartok (S). 11.25 Music for Piano by Faure and Chausson (S). 12.10 pm Scottish National Orchestra. Part 1 (S). 1.00 News. 1.05 Scottish National Orchestra, part 2 (S). 1.45 Stuttgart Piano Trio (S). 2.50 i Cavalletti di Edebu" opera in four acts

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# MANAGEMENT: Marketing

EDITED BY CHRISTOPHER LORENZ

## PRODUCT DESIGN

# Risks of retail power

BY CHRISTOPHER LORENZ

**BAKED BEANS** and breakfast cereals were the first to go. In the last few years they have been followed by all sorts of luxury foods, as well as clothes, pottery, shavers, cameras and calculators. Where will it all end?

Terence Conran, chairman of Habitat/Mothercare, has done more than most retailers in Britain to popularise the practice of "own labelling". By using his specialist consultancy to design many of the products sold in his shops, he has probably taken it further than anyone except Marks & Spencer and J. Sainsbury. So it is no surprise to find him advocating a further extension of the process, and welcoming moves in that direction by the likes of British Home Stores, Boots and W. H. Smith.

"If retailers continue consciously to develop strong personalities of their own, the influence on design will be profound," he told a recent conference organised by stockbrokers Capel Cure-Myers. "Going to a shop will become more like going on holiday than going to the dentist... 'sensations' are what retailers have to create." Shopping will be more of an experience, in other words, with products a carefully integrated part of it.

### Disturbed

Kenneth Grange, a partner of the Pentagram consultancy and one of the world's most successful industrial designers, agrees with Conran that power is shifting from the manufacturer to the "merchant," but he is profoundly disturbed about the possible consequences. Rather than offering the consumer a wider choice of designs and raising the quality of those designs—as Conran maintains—Grange says the process could have the opposite effect.

"At the end of the shopping experience you'll only be offered superficial differences between products," he warns—the inescapable growth in merchant power will reduce the incentive for manufacturers to be innovative, he says. This fear is echoed by some of the household name manufacturers—many of them market leaders—who are now being forced by

the growth of retailers' muscle to make own label products in order to maintain their production volumes. In some cases, the manufacturers also fear that they would lose any sort of prestige for their branded goods on the shelves if they refused to supply the retailer with own label products alongside.

Grange is especially concerned about the increasing tendency of retailers to "source" products from Hong Kong, Taiwan, or wherever is cheapest. This is not only getting between European manufacturers and the market, but "will destroy industry in the long run," he says. "In the final analysis, most merchants don't mind what they sell."

This is no mere exchange of fire between two naturally opposing forces. To a considerable extent, Conran and Grange actually represent the same interest—they both make their living out of trying to execute and promote good design at a reasonable price, and Conran's design consultancy works for a number of manufacturers along with its mainstream retail clientele.

Nor is this an esoteric battle between designers. In Conran's own words, it raises the fundamental question of whether consumers want to continue paying "for two lots of marketing: with the manufacturer creating the brand and the product, and the retailer then doing the same thing all over again."

The issue is a complex one, involving both the quantity (or choice) of designs available to the consumer, and the quality of the designs.

Take Terence Conran's own record. In a sense he has increased the consumer's choice of designs, by developing new retail outlets which offer (usually) well-designed products at (usually) reasonable prices. But in those same outlets he offers a minimal choice of designs: to take an extreme example, Habitat sells precious few types of tinopener. And, as he says, "you don't go to Habitat to buy so-and-so's product, you just go to Habitat."

"Though no longer under his ownership, Ryman, the stationary chain, continues to follow his strategy of offering a limited choice of designs—thereby raising volume on each line so that prices can be kept

down and/or profits up. To a lesser extent, the same is true of Boots, whose own label now goes on shavers, cameras and a host of other appliances, with the consumer being offered only a limited choice of manufacturers' brands. It is almost as if the retailer is dictating what the consumer will be allowed to buy.

To quote Conran again, "the market is expanding both horizontally and vertically: more shops are selling more of the same product." Quite. But is it true, as he claims, that the products are made "by many more manufacturers"? Not as far as the consumer can tell by the label, at any rate. The choice of manufacturers' brands in such shops is far narrower than in the traditional type of specialist outlet, many of which are being driven out of business by the viciousness of the price movement of competition from the discount chains on one side and the Boots of this world on the other.

Conran maintains that Habitat is an inappropriate model on which to base this argument, since it aims at a relatively narrow market segment; Mothercare and Maison de La Redoute, Habitat's new French acquisition, will offer more choice, he forecasts. He admits that any retailer chain prefers to restrict the number of its suppliers, but says that since each competing chain will increasingly want to offer its own products as a carefully designed part of its unique "shopping experience," the overall choice to the consumer will actually increase.

Which takes us neatly from the question of design quantity into that of quality. Is Kenneth Grange right when he forecasts that the trend towards "own labelling" will discourage manufacturers from being innovative?

Much would seem to depend on whether the average European retailer becomes as enlightened as Conran himself to the ability of design (of function as well as styling) to differentiate products from each other in the market place.

Admittedly that Grange's criticism does apply in many cases—at least at present—Conran lays part of the blame at the door of the manufac-



Terence Conran (left) and Kenneth Grange: Habitat/Mothercare's new 'own label' bicycle, made by Raleigh, epitomises the shift in power from manufacturing to retailing

turers themselves, for trying to sell essentially the same products "up and down the market" with minimal changes rather than getting together with the retailer to design a product which has a greater degree of uniqueness.

But he also concedes that the conservatism of many retailers—and particularly their buyers—is still a brake on the innovative, design-conscious world he thinks is already developing. "Retailers have got to become much braver," he says.

In the long run, Conran insists that, in general, the rise in merchant power will not reduce innovation "because designers working for retailers are in close touch with consumers. They're in advance of manufacturers in being able to understand customer attitudes and needs."

But there is a sting in the tail of his argument. He admits that innovation could indeed be impaired where the product requires a lot of developing and tooling, which most retailers are reluctant to fund. Given the complexity of cameras, domestic appliances and countless other products these days, that is a pretty big "exception" to Conran's argument, and a

heavy prop to Grange's.

Where the two sides agree is that this could all cause what Conran calls "a crisis in manufacturing." But whereas Conran talks of "an extremely stimulating crisis, not a gloom and destruction, death and bankruptcy one," Grange is altogether more pessimistic.

As Grange points out, even where retailers have not yet moved to "own label" designs, they have been trying manufacturers down to ever tighter margins over the last few years.

In future, he argues, the only way out will be for the manufacturers to maintain, even strengthen, their design effort—if they still have the resources to do so—in an attempt to "claw back their ability to deal directly with the public" by re-establishing a strong product and brand identity.

This is what Sony has always been able to do. But it is a rare ability, requiring considerable management flair and nerve. Few companies will be able to emulate Sony, which, as Grange says, has such a strong market image that "it can virtually decide which retailers stock its products." In general, the boot will increasingly be on the other foot.

## ADVERTISING

# Pin stripes in Scotland

PEOPLE north of the border have been saying it for centuries and now the admen confirm it: the men of Scotland are different from their English counterparts. The Scot today spends more of his income on consumer goods, he drinks and smokes more, likes stroganoff and sweets. He is less liberated about the role of the opposite sex and what infuriates him is the way some Englishmen try to tempt him to buy things.

The picture is drawn partly from research and partly from the gut feeling among media directors of Scotland's advertising agencies and their clients.

Differences in market, taste and language usage have led to a proliferation of agencies in Scotland. Today between 60 and 80 of them are active, from one-man representative offices to a cluster of large agencies at the top which handle most of the business.

They jostle for Scottish accounts to appear throughout the UK, for local firms selling regionally, and Scottish accounts of national and international companies.

The rough estimate of one agency per the value of advertising in Scotland at £300m a year, compared with a UK total of £3bn. About a third of this is the strictly local classified ad business of the local Press.

The recession and the fragmented growth of the industry means there is not enough work for everyone and the larger admen feel, casualties can be expected. Meanwhile, the agencies in Scotland are fighting to bring back to Scotland some of the big regional contracts which are still farmed out to London agencies.

Media directors from the top five—Halls, Wainward Roids, MCS, Grant Forrest, and Ogilvy & Mather—say their ability to provide a greater range of services is instrumental in stopping the drift south and increasing stature regionally. Their back rooms today offer extensive resources of writers, graphic artists, photographers and now even account planners.

Bob Mosseri, of Ogilvy & Mather, a London firm with a strong Scottish presence and a turnover of £4.5m, has brought in the account planner who is to give the client greater breadth of service by getting deeper into the requirements of the market and providing a longer perspective of a products sales pitch.

Competing with London, or



The genuine Scot asks for a pint of "hazy" in a pub—not bitter.

even defending the independence of a Scottish branch of a London agency, involves paying London rates for the top creative jobs as well as having as many of them as possible in house.

Like London too, Scotland is subject to constant fragmentation and breakaway bodies.

Asa Gupta left Halls advertising last year to set up on his own and within five months boasted £1m worth of billings.

His creative work has not only included ads for a regional Ford distribution network but also the design for the top of down-hill skier made by Ardenmore client, Vielhaber.

The agencies report a different client in Scotland: less in line with the exaggerated flash image of the south. "I won't appear in the client's office wearing a white jeans suit. I'm more likely to wear my pin stripes," one director comments.

The conservative nature of Scottish businesses has also meant a hard slog for agencies to win them over to advertising. But if the client is different, so is the customer as viewer and reader. Bob Mosseri believes no one can understand the market in Scotland without being there.

A key difference north and south of the border is the

spending habit of the Scot. The leading figures for England—65 per cent owner-occupier, 35 per cent local authority—are reversed in Scotland and, with such a large subsidised sector of housing and often two in a household, more money is available for spending.

Newspapers, magazines, and radio and television reach a near saturation 95 to 94 per cent of the 5m Scots.

Apart from 130 local newspapers, Scotland has six local commercial radio stations, more than any other region of Britain.

The reachability of the Scottish consumer, however, can give false indicators if the region is treated as a test market for new product lines. The very differences in consumer taste could create misleading guidelines for any national sales campaign.

That said, admen report that laser and vodka were first introduced on the Scottish market to study their performance.

Vodka sales now represent 20 per cent of UK sales in the heartland of Scotch whisky. Advertising agencies in Scotland are going through a slim time like most businesses in Scotland. But the Hall agency which has Bass beer, Bulmers cider, and the Royal Bank of Scotland among its accounts, feels that the tendency for advertising expenditure to be among the first cuts to be made by a company in hard times is part. Companies will hold on to their advertising to maintain their share of the market and be ready for improvement.

Mark Meredith

## TECHNOLOGY

### Data communication market survey

# Modem market is opening up fast

BY GEOFFREY CHARLISH

**RAPID GROWTH**, new technology, vendor mergers, reorganisation, PTT influence and participation—all these are contributing to the state of flux of the data communications industry according to a new report from IDC entitled Data Communication Equipment Market, 1980-86.

### Desk top image system

A **DESK** top video imaging system has been recently launched by Micro Consultants, Kenley, Surrey. The Intellect 100 can analyse live or recorded video pictures. For example, it can magnify images from a small area or the original

being taken to the European Court by the EEC for its monopolistic stance. Other countries may well relax their monopolies in the next few years.

IDC found that Racal Migo dominated the market for private supply of modems in 1980, selling 23 per cent of the units and taking 41 per cent of the revenue (a reflection of its emphasis on high speed high cost units).

As well as modems, the report examines multiplexers and communications processors (IBM has 42 per cent of the latter). The report costs £1,250 and more information can be obtained from Paul Homer at IDC Europa, 2 Bath Road (01-995 9222).

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### Bubble memories may earn their keep, after all

# 'Abandoned' chip comes back

BY ELAINE WILLIAMS

**INTEL**, THE U.S. microchip manufacturer, is expected soon to announce a tiny memory circuit which can store about 4 million bits (binary digits) of information.

This mass memory circuit will use magnetic bubble technology a technique which has been abandoned by all but a handful of manufacturers.

In such a device, the zeroes and ones (binary digits) of computer talk are stored as tiny magnetic bubbles. Such memories can store large amounts of information; widespread acceptance of bubble technology has been hampered, however, by relatively high cost compared with other forms of mass memory such as non-volatile semiconductor memories, disc drives and optical video discs.

Last year it seemed as though bubble memories were destined to be consigned to the file marked "technological failures." Texas Instruments and National Semiconductor decided to drop bubble memories because of the high cost of development in return for limited market opportunities.

Earlier Rockwell, and Plessey in the UK, had abandoned the technology because of its high cost with no early profit in sight.

Sampling and shipment of the new Intel 4 megabit memory is expected by mid-1983. This, declares Intel, is a clear indication of its commitment to bubble memory technology.

In addition, the company has pursued a policy of reducing the price of bubble memories to encourage the growth of large volume applications. Now bubble memory is cost effective for almost any application, Intel claims.

### Agreement

In July, Intel also signed a joint agreement with Motorola, the only other U.S. manufacturer still in the bubble memory business to ensure more than one source for the devices.

Motorola had gained access to bubble technology through an earlier agreement with National Semiconductor, which then dropped out of the game.

Under the terms of the joint agreement Intel and Motorola will develop two 1 megabit

bubble memory devices based on Intel's existing 7110 memory though they will be smaller in size. One of the new memories will also have twice the data rate of the present 7110.

Intel estimated that the 1981 market for bubble memories was around U.S.\$40m and has forecast that U.S. consumption of bubbles will reach nearly U.S.\$100m this year rising to about U.S.\$500m by 1986.

Bubble memories are used in a few products already. They include personal computers, office equipment, point of sale equipment, industrial control, and data logging instruments for geophysical exploration.

Mr David Shrigley of Intel's non-volatile memory division said that numerical machine tool manufacturers such as White Sunstrand started to use Intel bubble memories two years ago.

Intel estimates that about one third of last year's bubble memory sales went to the numerical machine tool market. This industry uses bubble memory because it is more rugged than other forms of mass memory de-

vices, being better able to survive vibration and surges in electrical circuits.

The ability to survive in harsh environments coupled with its small size opens up opportunities in the military field. Bubble memories have already been used for storing test programs to check the electrical systems of fighter aircraft.

### Price cutting

In 1981, Mitel, the Canadian telecommunications company, began production of its SX2000 private automatic telephone exchange using a total of 8 megabits of bubble memory. In the same year, the Vandling Corporation and Johnston-Macco (a division of Schlumberger) made data acquisition products incorporating bubble memories.

Despite these uses, it will take a major effort and continued price cutting to try and establish bubble memory as a significant technology for data storage. Even then, there is a large question mark over the likely success of such an approach.

### HP launches personal machines for the professional

# The take it or leave it computer

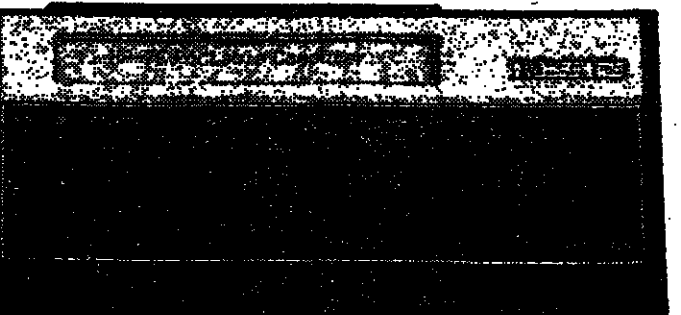
BY ALAN CANE

**HEWLETT PACKARD**, the US-based electronics giant whose products range from sophisticated instrumentation to mini-computers, this week launched in the UK a clutch of new personal computers for the professional.

The new computers included the HP-75C, previewed on this page on August 26, a computer about the size of a paper backed book which can be used as a desk top machine or carried around in a brief case.

The other new computers included the HP-86 which at £1,251 offers "the fullest set of HP solutions in the lowest priced package," according to the company.

The HP-87XM, at £2,088, is designed for complex problems with top of the line 41C alpha numeric-calculator, for example,



The new portable machine, the 75C, is expected to bridge the gap between true desk top computers like the 86 and its successful hand held calculators. The 75C runs the Basic computer language, can be connected to a wide range of peripherals including a domestic television set and runs off batteries. It costs £593.

EDITED BY ALAN CANE

### Materials

# Battelle battles with ceramics

**BATTELLE'S COLUMBUS** Laboratories are developing a technique for the production of thin, complex ceramic components of the kind used in heat exchangers, batteries, combustion units and catalyst carriers.

The object is to produce components that can withstand high temperatures, wear, erosion and creep fatigue. Conventional ceramic powders are used as the base. Then, metal-organic polymers are added and the mixture is formed by hot extrusion. The polymers bind the powders together during extrusion, giving uniform thin shapes.

In subsequent thermal treatment the polymers decompose to ceramic residue. Because the residue is very reactive, the sintering temperature can be lowered. This enhances the densification and micro-structure of the ceramics to allow the material to withstand severe environments.

Companies may still join the study and more information can be obtained from Battelle's London offices at 15 Hanover Square, W1R 9AJ (01-493 0184).

### Motor trade

# Computer to link 1500 dealers

A computerised link between dealers involved in the used commercial vehicles business is now being offered by Molbour, Cambridge-based Inter-File.

The aim is to bring together via a central IBM Series 1 computer the 1,500 companies estimate to carry out "significant" trade in used commercials.

The system, called DealerScan, will allow them to exchange information on vehicle stocks and find vehicles matching a particular customer's needs.

In the past, telephone inquiries to other dealers have been a traditional, but time-consuming, way of locating vehicles.

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EL has already introduced a similar system among its own dealer network, and other manufacturers are following suit. But this is believed to be the first attempt to establish a network in the used vehicle trade.

Each dealer is being offered a guaranteed minimum of 40 contact dealers. Whether the system will be really effective, however, depends on how many of the 1,500 dealers eventually take it up. Even on an initial 40-strong network, claims Dealerscan, the computer should provide access to information on about 2,000 vehicles.

Cost of the service is £100 a month, plus terminal rental.

**Memories Economical storage**

TRACK DENSITIES of 680 to the inch and a data density of 4300 bits/inch are achieved in a new 14-inch Winchester disc drive from Kennedy International, Maidenhead (0628 73335).

Storage on this model 53169 is, according to the maker, 37 per cent cheaper than on competitive units.

The composite heads incorporate calcium titanate slider material round thin ferrite cores which reduce magnetic fringing and allow the high track densities to be obtained.

The model 53169 is seven inches high, 19 inches wide and 24.78 inches deep, with a weight of 75 lb. In quantities of 500 the cost of the drives is \$4,675 each.

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THE ARTS

Record Review/Andrew Clements
Carter and Shostakovich

Carter: A Symphony of Three Orchestras, a Mirror on which to dwell, New York Philharmonic, conductor: Leonard Bernstein...

Shostakovich: Symphonies nos. 2 and 3, London Philharmonic/Halnik, Decca SADD 7535. Shostakovich: Sonata for violin and piano Op. 124, Shnitke...

John Ashbery setting in Springa three years later. The performance by the dedicatees is finely detailed; Miss Davenny-Wyner's singing is scrupulously inflected and enunciated...

First of May' retains the choral finale, but already, two years later, Shostakovich is in retreat from the extremes of constructivism; there is more to relate this symphony to its successors...



David Ashmore and Marion Tate in the Sadler's Wells Royal Ballet's new ballet The Swan of Tuonela, choreographed by David Bintley to Sibelius's music. Clement Crisp will review this next week.

Paris theatre in summer
Nicholas Powell

During the summer months most French actors and theatres rest. Among those staying open this year, the three-act farce Les Femmes de Caen...

monologue portrait of Joan. Before the second war Joan was a revered symbol for the French patriotic extreme right...

and the staging by Mario Franceschi is largely to blame-leaves one with the impression of Anouilh not as a man of the theatre so much as a writer...

Jacques and his master, partly about determinism and mainly about the servant's love life gets off to a slow, amateurish start, punctuated by disco rhythms filtering through the walls from a bar next door...

Video/Nigel Andrews
A trinity of extravaganzas

Can spectacle thrive on the small screen? The question is even more plaintive and pertinent in the case of video than of TV-transmitted feature-films...

neighbouring states. Best of all, the mixed-singles shoot-out finale in which Peck and Jones crawl towards each other through a barrage of their own bullets to execute a last dying clinch before the end-credits roll...

from thundering Richard Strauss to waltzing Johann Strauss, from rebellious computers to psychedelic space-journeys to an in-my-end-is-my-beginning finale of mystic marvellousness...

Leonce and Lena/Theatre Space
Rosalind Carne

Set against the ambitious canvas of Danton's Death, George Buchner's hastily composed black comedy feels disappointingly thin. It is more obviously than its forerunner, the work of a very young man...

epoch. Stylistically, he has passed beyond classic and romantic drama to the absurd juxtapositions of the modern stage...

create the grey background of a half-burnt castle, setting of a curious new play by Richard Eyre. Entitled The Big Fish or The Little Fish, it features Tim Hall as Sir Alabaster Crevice, a failed adventurer...



Tallulah Williams and Katherine Jones

ing-fewer at holiday time. There are films, art exhibitions, a terrace café and a good ground floor restaurant...

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THEATRES
ALBANY: A Comedy of Errors, CC 830 2471. CC 830 2471. CC 830 2471...

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ALBANY: A Comedy of Errors, CC 830 2471. CC 830 2471. CC 830 2471...

F.T. CROSSWORD PUZZLE No. 4963. Includes a crossword grid and a list of clues such as '1 Relax in a railway jacket (6)', '2 There's a world of difference between these places (8)', etc.



# The end of the world—perhaps

By Anthony Harris

## A dream ends in France

THE DASH for growth in socialist France has become a dash for cover. The Budget for 1983, announced yesterday, sets the seal on a fundamental change of priorities that has become increasingly apparent since June. The creation of new jobs must give pride of place to reducing inflation and the rapidly growing current account deficit.

President Mitterrand sounded the keynote himself when he announced in June that the Budget deficit was to be held to 3 per cent of GNP this year and next. That target has been upheld. It leaves very little scope for fiscally-induced expansion. The secretariat of the Organisation for Economic Co-operation and Development estimates that a 3 per cent deficit this year will add 1 per cent to domestic demand. Next year that expansive effect will be down to 0.1 per cent, or next to nothing. Small wonder that French socialist leaders now talk of "rigour" and "terrible years" to come in gloomy contrast with the euphoria after their electoral victories last year. Their initial hopes were choked by a rising inflation rate, loss of competitiveness in world markets, and two devaluations of the franc.

### Stringent

Besides switching to more stringent budgeting and besides devaluing twice, the Government of M Pierre Mauroy has sought to underpin his anti-inflationary policy with a wage and price freeze decreed until the end of October. As usual this bludgeon produced an initial success; on an annualised basis the inflation rate was down to 11.9 per cent in July from 13.5 per cent in June.

But, as is also usual, the freeze raises as many problems as it answers. The Government want both sides of industry to agree to a period of restraint to last for 14 months. It has met with little encouragement from the trade unions which, probably with good reason, fear that they will be asked to renounce real wage increases or even to accept cuts for a prolonged period. The sacred principle of wage indexing is in danger.

The need to cut the costs of French industry is made evident by the deepening trade deficit. In the first seven months of this year it came to FFf 32bn (about

£4.3bn), only FFf 7bn less than the deficit for the whole of 1981. Admittedly, the benefits of the devaluation in June have yet to be felt.

### Imports

But the adverse ones have already arrived in the form of higher costs for imports, not least energy. France depends upon imported energy for three-quarters of its needs. Ominously, two months after the devaluation, French external trade in cars went into deficit, something previously unheard of.

It adds up to a dispiriting picture of failure for the first year of socialist rule in France. Despite last year's fiscal boost, unemployment mounted in 1981 and has continued to do so. The franc has been devalued and already the Government has had to deny rumours of a third devaluation.

Inflation may have been checked, but given the notorious uncertainties of freezes, it remains to be seen whether the announced targets of inflation rates of 10 per cent this year and 8 per cent next can really be met. Growth forecasts of above 2 per cent for both years look equally chancy in an uncertain world.

M Mauroy had every reason to change course and to risk what is bound to be an unpopular Budget. A sop was needed for the unions and has come in the form of an increased top marginal rate of income tax. It will produce little revenue. It could also undermine his attempt to channel more resources into investment by tax breaks for equity investment.

### Recognition

Nonetheless, the recognition that consumption must be reined in is along the right lines, and underlies the Budget strategy. That is not to say that rigour will work. Investor confidence has been badly shaken by last year's nationalisations and by the uncertain world outlook.

Above all, M Mauroy needs his understanding with the unions for inflation to be brought under control. The long-term French experience with inflation is not encouraging, given that that performance has to be measured against that in Germany, the main competitor of French industry.

"TELL ME," said a friend, back from his summer holidays, "has the world come to an end while I've been away?"

The question looks simple but it is surprisingly difficult to answer with conviction. There is a still small but well-informed school of thought, mainly of financial rather than economic analysts, who say with some confidence that it has. Real markets have begun an irreversible flight into quality and credit is contracting of its own accord as both lenders and borrowers try to reduce their risk exposure. In other words, we have embarked on a slump and that is why interest rates are falling.

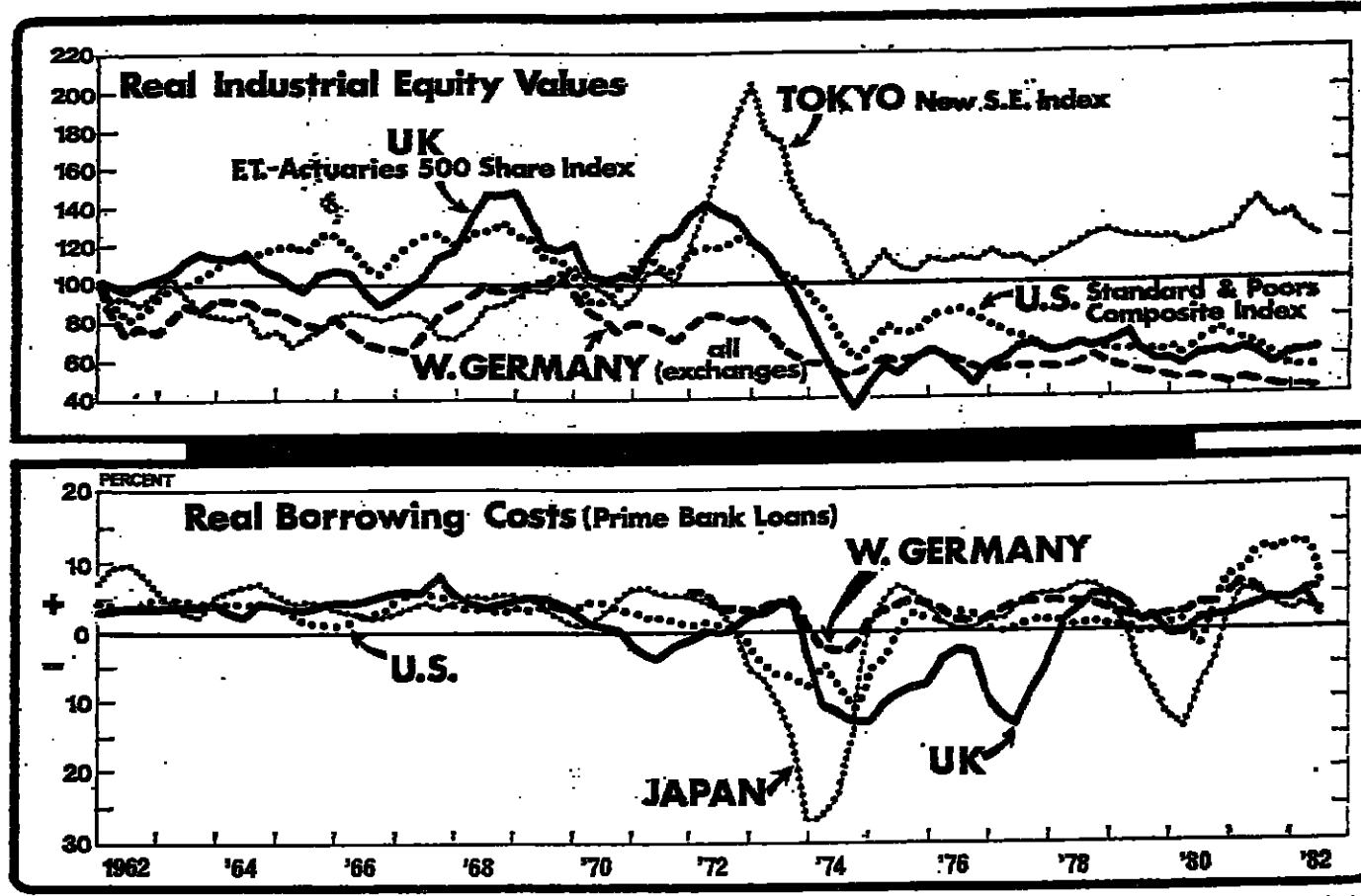
On the other side of the argument are the real-economy specialists, whose models tell them that falling inflation will raise real incomes, rising bond values will encourage spending and that a modest recovery at least can be expected at any minute. Unfortunately they have been saying the same thing for rather a long time, without being right; and their models cannot, by their nature, capture the kind of deep psychological change which the financial analysts claim to detect.

A compromise answer was offered by a merchant banker of broad experience: "Has the world come to an end? Not yet." This is probably a just assessment, but not—if you think about it—at all comforting. So what did happen in August? There was a tremor, certainly, which seemed very dramatic to those who were still at their desks at the time; but as the charts show, the results were not very striking on a longer view.

Interest rates did retreat from the very high real values they had reached in the U.S. and to a lesser extent in the UK; but this was simply a return to trend. From the point of view of industry real rates—money rates deflated by factory-gate prices—returned to a level still a little higher than in 1980, though a shade lower than in 1981. In Germany and Japan, once regarded as the world's locomotive economies, real rates are still historically high.

As for the events reported as a world-wide stock market boom, they simply vanish in the historic perspective. The quarterly averages wipe out the fall in values which shortly preceded the rebound; and although the final figure is not smoothed—it is the average value for last week—it is almost invisible. In the U.S. and Germany values remain at or near historic lows in real terms; in Britain they remain in the narrow range which has ruled since the markets got the measure of Mrs Thatcher.

Only in Japan have real security values recovered to their level of a decade ago—a performance twice as good as the average of other markets, but only in this context much of a compliment to the world's most dynamic economy.



These long trends do not only put August 1982 into perspective; it will be lucky to get a small footnote in the history books—reading, perhaps: "Small earthquake in Mexico; few hurt." Or that, at least, is what the banking industry would like to believe.

They also, however, remind us of certain deeper truths which are so familiar that it is easy to overlook them. The inflationary decade we have just suffered has done grave damage to the whole private-enterprise system, as the markets tell us; only those who can run as fast as the Japanese can stay in the same place, and nobody has progressed.

The trend of real interest rates is also instructive. It is not true, except for a brief period in the U.S., that monetarist discipline has raised the real cost of borrowing to historically high levels. On the contrary, the cost of credit is relatively normal in real terms in most industrial countries since the August correction.

However, credit remains dear in three very important respects. First, rates are abnormally high for a recession. They will have to fall faster than inflation is falling for some time yet if they are to achieve the real values which have historically made it easy to rebuild liquidity, straighten out balance-sheets, and revive investment.

Finally, credit remains expensive in relation to the very poor returns which the private sector has been able to earn on its assets. This compression of margins is a long-term, world-wide trend, and suggests that the kind of financial configuration which would have led to a revival in the 1960s or early 1970s will no longer do the trick.

It is this last fact which explains the recent revival of obsessive familiar in the 1930s with the level of real wages as an explanation for the slump. In the context of one country—especially a country

which has been losing market share for a century, and which has an over-valued exchange rate—this stress on competitiveness may sound like common sense.

However, when presented as an answer to a worldwide problem, as it is in the IMF's annual report, it is less convincing. As a senior British official sourly remarked: "The IMF's answer is that everyone must become more competitive with everyone else."

It is these underlying problems, and the suggested answers to them, which provide some of the stronger evidence that we are now engaged not with a cyclical recession, but with some sort of long-cycle slump.

The levels of output in steel and engineering, the state of the world car industry, the plight of the commodity producers, the talk of dumping and protection are rather more tangible evidence of slump than interest rates which are high in relation to activity, or a Chancellor who talks as if he were exclusively on the works of Montagu Norman—Governor of the Bank of England 1920-1944. They all tell the same story, though.

Why then have the financial markets not behaved more dramatically? In 1929-31 we had a crash whose echoes can still be heard; this time we have only

ing, and in real terms debts were hard to service even at near-zero interest. That is why President Roosevelt called for champagne at the first news of rising prices—and why American farmers and commodity producers everywhere would now do the same.

In the industrial economies where inflation is still historically high, though subsiding, however, the picture is radically different. Interest rates can indeed fall to low real values, though they have not yet done so.

However, there is a price to pay: given the constraints of monetary control, the remedy for slump discovered by Keynes will not work in an inflationary environment. On the contrary, governments now think that they can achieve low interest rates by adopting more deflationary rather than more expansionary fiscal policies.

British experience in 1981 suggested that the trade-off in terms of real activity is worthwhile, but not inspiring; a better balance of deflationary policies arrested the collapse of industrial activity, and produced stagnation instead. The continuing rise in unemployment reflects competitive pressures rather than a fall in output.

Here, as with real wages, the IMF is seeking to apply British policies to the whole world; again, it is not clear that the solution can be generalised in this way. Britain, after all, gained mainly through a correction of the exchange rate.

However, even if a rise in world taxes and a fall in world interest rates leaves real activity little affected, it may make it possible to address the

underlying problem which concerns financial analysts: the reconstruction of the world's balance sheet. The debt problems of Poland and Mexico, of International Harvester and AEG, suggest that the task has been left dangerously late.

The world's debt schedule was allowed to reach its present tottery state because inflation made both lenders and borrowers complacent. Lenders got the best return they could, borrowers relied on inflation to erode the real obligations they had signed. Inflation in this context is a solution rather than a problem: it is an adjustment mechanism by which excessive credit expansion becomes manageable.

Indeed, the inflation of the 1970s was the adjustment required to make sense of the world-wide refusal to respond to high oil prices by cutting real incomes: the recycled Opec surpluses were the source of unsustainable credit expansion, and the fiscal squeeze now being mounted would have been more appropriate in 1974. The inflation has robbed Opec of much of the real value it thought it had secured when investing its surpluses.

However, as financial markets and interest rates adjust to past inflation, only accelerating inflation can keep the adjustment going; and in the end governments were faced with a stark choice between indefinite acceleration—hyperinflation—and a determined attempt to reverse the process. It was the stress produced by this reversal which produced the miserably high interest rates we have recently seen.

We can now return to the question with which we opened, in a new form: did the inflationary world of the last decade come to an end last month?

The question is still wide open. If the shock to confidence of the recent debt crises is as profound as some analysts believe, it did. Borrowing and monetary growth will recede unbidden, activity will remain depressed for several years, but at least debt service costs will become bearable for all sound borrowers, and reconstruction can go on its protracted way, with defaults absorbed in banking profits, and funding achieved when rates are nominally low.

This is not an attractive prospect, but nor is the alternative: for if credit expansion again starts straining at official policy, and rates shoot up again, then debt service costs will become intolerable again, and we will fall back on the most brutal and disruptive solution: default.

The reason would be the same as it was in the 1930s, when, for example, 70 per cent of all Latin American bonds defaulted: a depressed economy with shrinking export earnings cannot support a burden of debt which is rapidly growing in real terms, as interest is rolled in. That is perhaps the outcome my banking friend still hoped might be avoided when he commented so ambiguously, not yet.

The long trends put August 1982 into perspective; it will be lucky to get a small footnote in the history books

## The Signal Life scandal

REVERBERATIONS from the Signal Life Assurance scandal are getting louder by the day. No sooner have holders of two gold income bonds issued by the company been offered a money-back guarantee by the trustee, the Hongkong and Shanghai Banking Corporation, than serious doubts are emerging about the safety of certain guaranteed gilt bonds also issued by Signal and bought by an unknown number of individual UK investors.

Reports last week revealed that far from being backed by first class government securities as the prospectus states part of the underlying investment was a franchise of bonds issued by the private Weimar Republic. What can be done to prevent this sort of thing happening again?

### Monitor

There is no doubt that most life assurance policyholders in Britain are—indirectly at least—well protected. Admittedly nothing can stop someone, however ill qualified, setting up in business to sell insurance provided he does not call himself an insurance broker. But the Department of Trade's responsibility to scrutinise the financial position of UK registered life companies should help avert their financial collapse. The ultimate safety net is provided by the Policyholders Protection Act which will reimburse investors in the event of such a disaster.

None of this applies, however, to companies registered outside the UK. The Gibraltar-based Signal Life is now an infamous example but it is well known that there are many others in far away tax havens. Often there are no local supervisory authorities in a position to monitor the probity of such operations. Such companies are perfectly free to market their wares to UK investors provided they point out on their literature that they are not registered in the UK and provided they sell their products through an intermediary. Insurance brokers galore

## Nott's landing

Politics is full of surprises. Less than two years ago Defence Secretary Nott was considered as a future Tory Party leader. He would have liked to be Chancellor, a job which he says he could have done well. But that was the limit of his political ambitions.

His decision not to stand for the Commons again, he claims, was made at the 1979 election when he more than doubled his majority at St Ives. He told Mrs Thatcher last December. She persuaded him to delay the announcement until the Falklands crisis and, though Nott did offer to resign his post, he could hardly be allowed to go as well as Lord Carrington.

Curiously, in view of his one-time ambition, it was the Treasury which broke him. Nott produced a Defence Review last year to the Prime Minister's liking, a task that had defied his predecessor Francis Pym.

Yet it was when the Treasury tried to claw back the expenditure in the autumn that he became depressed. The PESC exercise, he says, was one he never wanted to go through again unless the rules were changed to recognise the inevitable long-term nature of defence spending. It was that rather than the Falklands from which he never recovered.

There was, perhaps, also a failing of temperament. He lacked the ability, possibly even the desire, to engage in long arguments with Treasury

## Men & Matters

Ministers. He referred to his "combative nature" and it was worse than that: he repeatedly seemed to lose his temper. A senior City figure who grew up with him noted that almost the only worrying factor about Mrs Thatcher's first Government was Nott's inclusion, precisely because of that "low boiling point."

Still, it is to the City that Nott may turn. He has been talking to the former Tory Chancellor Lord Barber, whom he once served, though not about a job at Standard Chartered.

Nott says he would like to make a new career in international business and stresses his interest in engineering. If nothing turns up, he can fall back on his farm.

The choice for the eventual succession at the Defence Department seems to lie between Peter Walker, who is based at Agriculture; Michael Heseltine, who is a good organiser and would be acceptable to Treasury Ministers; and, on the outside, George Younger, the Scottish Secretary, who was once a junior defence minister.

It all points to a Cabinet reshuffle after the Falklands White Paper around the end of the year.

Almost friends  
 New Zealand's prime minister Robert Muldoon appeared to do a U-turn on his view of the world economy when in London yesterday he joined with the initiative of Shridath Ramphal, the Commonwealth Secretary-General, for a new Bretton Woods conference.

## High flyer

Word from the Euromarket is that another Frenchman, Philippe Marchat is to succeed Andre George, the long-serving treasury and finance director of the European Investment Bank.

George's resignation, effective at the end of the year, was made public last month—and the market has been waiting with some eagerness since to see who would get the daunting task of carrying on the EIB's huge borrowing programme.

A tough-talking, hard-bargaining banker, the 59-year-old George made his name in helping develop the EIB as the Eurobond market's largest borrower. Last year it raised \$2.4bn.

Marchat is currently finance director of France's Caisse des Dépôts et Consignations, the central savings bank authority. Now 52, he is a graduate of the elite French training school for civil servants, the Ecole Nationale d'Administration. He served in the finance ministry in the 1950s and spent the next decade as financial counsellor to

Senegal and in missions to the Congo and Guadeloupe. His hobbies are aviation and tennis—fitting pursuits for the EIB's financial supremo whose job involves both high flying and hard service.

Society scourge  
 It has taken five years of campaigning for senior civil servant Paul Twyman to get on to the board of the Anglia Building Society. And it is one of life's little ironies that Anglia's merger with the London and South of England Building Society has created the opening.

Twyman's other brush with building society bureaucracy was more immediately successful. That was when the South of England and Goldsmith building societies, which combined in 1980 to form London and South.

## The best meetings take place

For over a decade, people with a sense of occasion have chosen to rendezvous at the Inn on the Park.

Now, we're also glad to say, people with good business sense are choosing the Inn on the Park for meetings of another kind. Though for much the same reasons. First, and foremost, the Inn on the Park is a luxury hotel.

But if you think this makes for an unbusinesslike venue, think again. Nowhere are there surroundings more likely to make a lasting impression on colleagues and clients. And nowhere is there an atmosphere more conducive to making business a pleasure.

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All this, plus two bars and a lounge where even the fastest-moving executives will want to slow down and relax, makes the Inn on the Park the perfect setting for business of any kind. If you would like to find out more about business meetings at the Inn on the Park, simply call Anthony Rivers on 01-499 0888.

where the best people meet.

Czech point  
 Sign outside a restaurant in a Czechoslovak resort: "Please do not insult our waiters. They are harder to get than customers."

Observer



GERMAN POLITICS

The many shades of Green

By James Buchan in Bonn

WHO ARE the Greens, the most vigorous new political movement to appear in West Germany for decades? The answers come thick and fast. Fascists, according to Herr Holger Boerner, the Social Democrat Prime Minister of Hesse. "Soviet Troops horsemen," says Herr Franz Josef Strauss, indomitable head of the right-wing Bavarian Christian Social Union. Herr Edmund Stoiber, general secretary of Herr Strauss's party. Extreme-left-wing radicals, instructs the Springer Press. Try again, Chancellor Helmut Schmidt: "It is a movement more of protest on every conceivable front than a political party."



Environmentalists—many of them Greens—stage a sit-in against tree-felling at Gatow RAF base in Berlin.

"We are the anti-party party," says Frau Petra Kelly, the small but combative head of the Greens at federal level. "Wherever the Greens are, the established parties, the Social Democrats and Free Democrats (in bad-tempered coalition in Bonn) and the Christian Democrats and Christian Social Union of Bavaria (in opposition in Bonn) have been rattled by their success and have delivered into German democracy to beat them off. In the parliamentary terms which many Greens despise—since October 1979, Greens or alternatives of some sort or other have gained seats in the parliaments of four out of the 10 Laender and in Berlin (in Bremen 5 per cent, Baden Wuerttemberg 5.3 per cent, Berlin 7.2 per cent, Lower Saxony 6.7 per cent) and in Hamburg (7.7 per cent). They are also represented in countless smaller local assemblies. In Hamburg, a coalition of Greens and local citizens' action groups known as the Green Alternative List (GAL) drove the Free Democrats under the 5 per cent required for representation. The GAL is now holding talks with the Social Democrats on tolerating an SPD minority government. If these talks fail, many GAL members hope there will be new elections next March. In Hesse, the local Greens expect to exceed their Hamburg success, extinguish the FDP and force Herr Boerner to come to

his "fascists" cap in hand. However, the Greens have vowed not to work with the man whose police they have constantly confronted in their campaign against a new runway at Frankfurt Airport. Nor are the Federal Greens much help, for although Frau Kelly and her lieutenants are articulate speakers, general discussion of world disarmament or the dismantling of the great power blocs and the reunification of Germany give no clue to the Greens' real strength. The federal party was formed in early 1980 to fight that year's election, and caught between white hat Schmidt and black hat Strauss, performed dismally. The problem is, that at Laender or a lower level, not all the Greens are very Green. However, several general points can be made. Opinion polls have shown that the bulk of the Green voters are young, consider themselves left of the SPD, support the peace movement which mobilised over 400,000 people in Bonn in June, bitterly oppose the stationing of new intermediate range missiles in Germany next year, oppose atomic power, distrust the U.S. and favour German neutrality. It can further be added that the bulk of Green voters are professionals (especially teachers), civil servants and students. The Hamburg GAL claims that 100 local shop stewards

called on their members to vote for them, but also recognises that the Green economic programme is weak. At present, it consists only of ideas—job creation through more environmental safeguards, lower energy use, shorter working weeks and the turning over of defence industries to other manufacture—but a major conference with the trade unions is planned. A poll by the right-wing Aleanbach Institute also claims that Green voters are more tolerant of violence against people and property than supporters of the other parties. Most Greens like to dispense with the traditional designations "Left" and "Right," and it is worth remarking that no party in Germany has so spanned the traditional spectrum since the National Socialists. Take the examples of Baden-Wuerttemberg and Berlin. In Baden-Wuerttemberg, the local Greens are almost pure ecologists and are committed to non-violence. They draw their strength from what began as a movement of farmers and local residents against an atomic reactor at Wuhl, near the French border, and in a province traditionally conservative with a large CDU majority, gained a third of their votes in the 1980 election from conservatives. In Berlin the Alternative List, as it is called, is distinctly multi-coloured, reflecting an older tradition and the peculiar political geography of this most

peculiar city. According to Herr Ernst Hopflitschek, its spokesman in the 1981 election, atomic power entered into the group's political thinking quite late in the day and still seems a less vibrant issue than, for example, housing. Herr Hopflitschek, now a member of the Greens' federal executive, says that Berlin activists divide into three groups—the "Prussians," who are former or actual Communists of Maoist bent, the "conservatives," consisting of disgruntled Social Democrats and others, and "independents," meaning conventional ecologists, vague leftists, anarchists and denizens of the scene. Hamburg stands somewhere between these extremes, for there is a strong "pure Green" movement on such issues as the pollution of the Elbe. Herr Jago Borsum, 31, describes his fellow activists as largely "the generation of 1968" who, whether they drifted into the Jusos (the SPD youth wing) or the formal Left, such as the DKP, ended up "homeless," dejected by the SPD's compromises or the impotence of the doctrinaire Left. The farmers of Baden-Wuerttemberg and the first Green group (founded, significantly, by an ex-CDU man who has now, just as significantly, left) provided a new impetus. Herr Thomas Ebermann, also 31, and the parliamentary party leader of the GAL was briefly held last month for occupying

a disused "police station. He makes no secret of his radical past (including a leading role in the Kommunistisches Bund, a non-dogmatic radical group). The Springer Press has argued that the Left is infiltrating the Greens and alleges that Herr Ebermann and three other GAL deputies are being watched by the German equivalent of MI5, though this is denied. Perhaps a more typical Green is 43-year-old Frau Thea Bock, who says she came to the group through local citizens' action. She is a gym teacher and lives in Moorborg, a hamlet threatened by the SPD's plans to extend the Hamburg port. On her election, she did a hand-spring, which was considered unorthodox. As conditions for tolerating an SPD Government, the GAL wants the Elbe immediately cleaned up, an atomic weapon-free zone, a stop to the port project, better conditions for women, job creation, and a general decentralisation of authority. "I have my doubts these conditions will be met," says Herr Borsum wryly, giving the impression that he does not want them met. Among the Greens or alternatives, there is a strong feeling that German politics is at best trivial and at worst unjust. Parliamentary activity should be secondary to direct action, says the groups in Hamburg, Berlin, Lower Saxony and Hesse. Herr Martin Jaenicke, one of the dominant figures in

the Alternative List, has warned against Green and alternative deputies sending out "an all-clear signal" to the bourgeoisie. "We have no illusions that we can realise our policies through parliaments," say the Hesse Greens. Above all, Herr Ebermann's run in with the police was designed as a clear sign to the SPD that neither he nor the GAL probably are going to become socially acceptable, but will go on leaving mud in the drawing rooms of Laender politicians. All the talk among the Greens is of "basis democracy." Their deputies are rotated or have to give up a large portion of their parliamentary salaries to keep them from succumbing to the blandishments of power. Herr Ebermann has already rejected the car and chauffeur to which he is entitled.

Do the Greens have a future? As Greens, only perhaps. Many supporters fear that the movement will be drawn into arrangements with the established parties and will rapidly lose its appeal, no longer able to draw on frustration and laender through local citizens' action. The Greens may then be no more successful than the neo-Nazi NDP in the late 1980s, which emerged to herald a change in power in Bonn and disappeared after it was consummated.

At federal level, Frau Kelly may have to fight to maintain the Greens' integrity (vague as it is) against moves from the Laender to open the Green list to the various alternatives at the party congress in November. The great issue among the young now is the protection of the environment, not simply against pollution, but against nuclear war and as part of the youth movement the Greens will increase in strength as the deadline for the new U.S. missiles approaches. Even if this issue recedes, the Greens should survive in some, probably multi-coloured, form until or unless West Germany forms a consensus on something more solid than rising standards of living.

Lombard

A bonanza for the lawyers

By Richard Lambert in New York

THERE ARE 617,320 lawyers in America—more than in the rest of the world combined—and they all like to eat lunch. Fortunately for them, the U.S. legal system almost guarantees a regular supply of meat and two veg. What that can mean for everyone else was highlighted in its most stark form in last week's move by the Manville Corporation, the world's biggest producer of asbestos products, to file for protection under the federal bankruptcy laws.

Many people have suffered serious injury, even death, as a result of their contact with asbestos. But what the Manville case shows is that the U.S. tort system is incapable of handling a tragedy of this magnitude—it is said to be the biggest set of related cases ever—in an equitable and even handed manner. Manville has been brought to its knees by a flood of lawsuits which it estimates could cost over \$2bn (£1.16bn) to settle. But less than one third of the total costs of such suits is actually being paid to the injured worker, with the rest being soaked up in litigation expenses.

One reason is that lawyers are being paid on a contingent fee-basis. Their clients do not have to pay them any money if they fail to collect—but if they do receive an award, they agree to hand over perhaps as much as 40 per cent in fees. People have nothing to lose by suing in a personal liability case, because in America defendants usually have to bear their own legal expenses even if they are found to be blameless.

The idea is that the courtroom door should be kept open to the poor and those of modest means. Worthy stuff—but the practical results can be ridiculous. Andrew Tobias cites some examples in his excellent book on the insurance business, The Invisible Bankers.

There was the student who sued the University of Michigan for \$853,000 for the mental anguish he suffered on receipt of a "D" in German. And the prisoner who sued the sheriff and his guards for not preventing his escape.

It was a gamble in which they had nothing to lose and just possibly something to gain—especially given the enormous power handed to American

juries to evaluate such matters as persons, anguish, and to make awards accordingly. Juries know all about contingent fees, and frequently appear to allow for them when making an award. It is an arrangement that positively invites lawyers to behave like entrepreneurs, and there are numerous reports of asbestos workers being approached out of the blue by lawyers or their representatives and invited to make a claim. The results can be entirely haphazard. Manville quotes the example of one recent trial in Texas, when five separate juries hearing five different cases were empanelled and heard the same evidence before the same judge in the same courtroom at the same time. Their findings ranged from no liability to punitive awards.

This is one reason why most asbestos cases in the U.S. are likely to be settled before they get through the courtroom door. Juries can be arbitrary, and lawyers are certainly expensive. There are strong pressures to pay up in all but the frivolous cases. Of course companies have to take responsibility for the safety of the products they make. But U.S. law is manifestly failing to deliver maximum payments to injured workers at the minimum costs to the companies.

According to a recent Gallup poll for the insurance information institute, over 60 per cent of the U.S. public believe that the fairest way to pay an attorney would be through a fee arrangement other than the prevailing contingent fee practice. Seventy per cent thought that the plaintiff should pay at least some of the defendant's legal expenses if the charges are not substantiated.

But there are 617,320 attorneys in favour of the status quo.

"How much do you think my pelvis is worth?" asks an accident victim in the film The Fortune Cookie.

"By itself, nothing," replies sharp lawyer, Walter Matthau. "So it's a good thing you came to me. Before we're through with them, we'll have them begging for mercy."

"Who's them?" "That I haven't figured out yet," says Matthau. "But don't go away. I'll think of an angle."

Letters to the Editor

Productivity, trade unions, industry and an upturn

From the General Secretary, General and Municipal Workers' Union. Sir—What your correspondent from Crawley, whose letter appeared on August 25 suggests is that the outcome to the Government-engineered slump has been an increase in productivity efficiency because trade unions have been forced to relinquish what Mr Daly calls "restrictive practices." There is absolutely no evidence to indicate that such marginal changes as have taken place have any impact on the overall performance of the British economy. British Steel provides us with the clear object lesson on this point. Manning levels and productivity equal to or in excess of those of its competitors, does nothing to save even modern steel plants from closure and even whole towns from painful economic death. The key element in the equation for greater productivity in industry is greater overall demand which will allow idle capacity to be used and therefore reduce unit costs. Productivity in the British economy has always risen in times of growth. The one-off gains in productivity from closures of whole or parts of companies under the crushing weight of the Thatcherite sledge-hammer do nothing to build the structure on which future growth can emerge. Indeed, as John Elliott pointed out on August 3, so much capacity has been killed off, that should an upturn emerge from the monetarist quagmire, British industry will not be in a position to take advantage of it. Furthermore, overall competitiveness may well have been

reduced, as the major multinationals which dominate our industrial stage continue with their corporate strategies of investing in other parts of the world. These are the fundamental industrial problems which TUC/Labour Party policy addresses in its newly published document—the conditions necessary for expansion, the problems of investment, the rational structure of the economy, the provision of (skilled) men and women-power, democratisation of corporate decision-making and all are linked inextricably in a whole framework of recovery, alongside a range of vital social and political reforms. Your paper's analysis of Britain's industrial future under present circumstances suggests that British business ignores them at peril to its very existence. Will the CBI's cries of despair become a resounding demand for Labour's alternative? David Bassett, Thorne House, Ruzleu Ridge, Claygate, Esher, Surrey.

From Mr D. Benjamin. Sir—Your front page article on August 24 British practice of "trailing" contains a journalistic injustice which badly needs redressing. The text describes how "output per man hour" is 250 per cent higher in America, how the German workers produce twice as much as their British counterparts. While accepting that in certain areas of industry this may be the case, the obvious conclusion which is misguidedly drawn from such an article is that the British worker is lazy. Ironically, those people quickest to draw such a conclusion may be those who in many cases actually created the productivity problems in the first place—investors and management. The "unproductive" British manual worker is very often using antiquated machinery and is unable to improve productivity other than by insignificant margins. Longbridge workers in the late 1970s were stripped of pride by a public ignorant of their working machines and environment. Today, having invested in new plant, we are laying them off for being over-productive. The work force is not blameless. Their new equipment and automation often meet with hostility on the shop floor is undeniable. If, however, replacement machinery and automation were less of an event and more of a normal working practice as is the case in the U.S. and Germany, these problems would largely disappear. Communications between parties must be held as paramount in any "productivity plans" and media more perceptive to the predicament of the manual worker could go a long way in opening communicative channels. As an example, quoting statistics from an alternative viewpoint such as "output per pound invested," may actually provide a better representation of the reasons for productivity levels in industry. It is rarely we read headlines "British investors and management fail to make industry productive." Desmond Benjamin, 9 The Chequers, West End Lane, Pinner, Middlesex.

Mr Scargill's figures

From the Executive Director, United Kingdom Petroleum Industry Association. Sir—On August 27 you reported Mr Arthur Scargill as saying that Britain is importing 8m tons of oil which cost 30 per cent more than it would cost to produce British coal. That means more than £2,500m a year could be saved and used to stimulate the economy. I would make two points. Britain was a net exporter of crude oil in 1981 to the tune of almost 15m tonnes. In 1982 net exports are expected to be significantly higher. Diffident as I am about my arithmetic ability, there is something seriously wrong with the money figure attributed to Mr Scargill. At current North Sea crude prices and exchange rate, 8m tonnes of oil has a value of around £1,040m—and 30 per cent of that is £312m. Ian Berwick, UK Petroleum Industry Association, 9, Kingsway, WC2.

British Telecom charges

From Mr E. Prodhan. Sir—The New York Telephone Company has agreed to give its customers the option of buying their telephones, eliminating the need to pay rental charges. Can British telephone users be given the same opportunity? E. Prodhan, Strathclyde Business School, 130 Rottenrow, Glasgow.

Lighting-up time

From Mr D. Hore. Sir—While regretting that Mr Dejen's short holiday has been spoiled by motorists using their lights outside the hours of darkness (August 27) I can only assume that he has not had time to notice the large number of drivers to whom full control of the lighting system means keeping lights switched off when visibility is poor, whether due to fog, rain or dusk, and thereby making driving more hazardous than it need be. Day running lights are an entirely sensible feature in my view and I have no doubt that they will be universally adopted eventually. I just cannot comprehend why Mr Dejen should react so strongly against this particular aspect of the motorist's scene while apparently ignoring or being oblivious to the positive contribution to road safety which it provides. D. R. Hore, 66 Fomacre Crescent, Downend, Bristol.

People are proud of their towns

From Mrs V. Roseblade. Sir—I refer to an item in column one of your paper of August 23. The residents of the town (not "village") of Tetbury do not refer to their town as "Tetbury" because there is not a proliferation of shops selling souvenirs, "tatiness," or otherwise. This myth appeared in a largely inaccurate article in one of the less reputable Sunday papers. Tetbury is a delightful town, and we are pleased that the Prince and Princess of Wales have chosen to live here—and we wish that the Press would either leave us alone, or get their facts right!

You can't have your cake and

From Mr J. Macfarlane. Sir—The present clamour for reduction makes little allowance for what must be the policy-makers' most worrying inhibition—our country's propensity to import. With probably thousands of others, I have recently encountered a tiny but revealing example. I have been invited to buy a Christmas cake, baked "personally for me" (what else?), gift-boxed and shipped, prepaid—from Texas. An accompanying list of past international customers for this delicacy shows Canada taking 4,600,

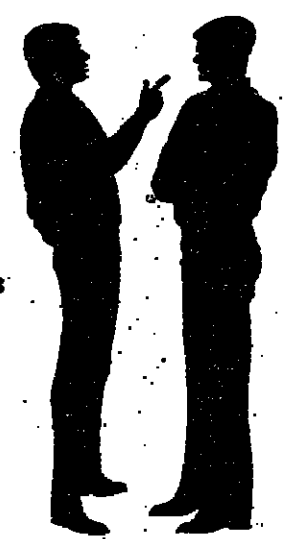
Australia 2,300. West Germany 1,400, and France 953. And the UK? 20,082.

Out of interest we inquired comparative prices of the two most obvious—and much more world famous—British competitors. Neither had lists ready, and all records of last year's were not to hand. A tiny example. Of rather greater importance would be your recent report that the UK is the healthiest market at this moment for video recorders—mainly made in Japan. This country is not short of buyers so much as sellers. Jobs come from finding and satisfying customers—management's job one would have thought. Would the CBI comment? James Macfarlane, C & K Consulting Group, 1, New Bond Street, W1.

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Companies and Markets

UK COMPANY NEWS

Sun Alliance profits slump by £31m midway

SOARING UNDERWRITING losses in the first half of 1982... Sun Alliance's Canadian mining company...

GRE steady after £40m underwriting losses

A MARGINAL decline in both pre-tax profits and the profit available to ordinary shareholders...

Diploma boosted by good second half

SECOND-HALF pre-tax profits of Diploma, industrial distribution, manufacturing, engineering...

Halftime shortfall at Phoenix

DOUBLE underwriting losses from £13m to £27.3m, and pre-tax profits cut by more than half...

Year-end profit down at Heelamat

TAXABLE PROFITS of Heelamat Holdings in the year to May 1, 1982 were substantially reduced...

Rea Bros. marginally lower

MARGINALLY lower profits for the six months to June 30 1982 have been produced by Rea Brothers...

Downturn at Elys

For the six months to July 31, 1982 pre-tax profits of Elys (Wimbledon), the department store operator...

D. Crouch drops sharply to £0.4m: interim held

PROFITS OF Derek Crouch dropped sharply at the pre-tax level from £1.2m to £0.4m...

U. U. Textiles trims loss and calls for £0.54m

U.U. Textiles' "The Doubled garment manufacturer, has announced plans for a one-for-one rights issue at 25p to raise £538,000...

NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency of the issue designated

9 3/4% Sinking Fund Debentures Series BQ due October 1, 1985 (herein called "Debentures") of the

Q HYDRO-QUEBEC

PUBLIC NOTICE IS HEREBY GIVEN that the Hydro-Quebec intends to and will redeem for SINKING FUND PURPOSES on October 1, 1982...

Table with columns: Debentures bearing the Prefix BQ, 15 742 3885 2734 3572 4452 5379 6234 7125 8019 8844 9684 10592 11571 12489 13580 14540

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Corro. Total, Total

FORWARD TRUST DEPOSIT RATES

Table with columns: Notice of withdrawal, 1 month, 3 months, 6 months, 12 months

FORWARD TRUST GROUP A member of Midland Bank Group

M. J. H. Nightingale & Co. Limited 27, 28, Levant Lane London EC3R 8EB

THE TRING HALL USM INDEX

Table with columns: Company, Price Change, P/E, Fully Paid

LADBROKE INDEX

Table with columns: Company, Price Change, P/E, Fully Paid

Phoenix Assurance plc Interim Statement 1782-1982

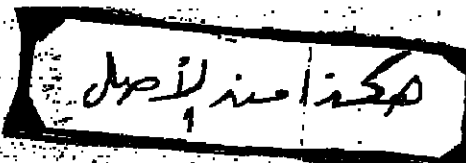
Debentures to be redeemed, will become due and payable in each coin or currency of the United States of America...

THE TRING HALL USM INDEX 227.7 (+0.8) Close of business 1/9/82

LADBROKE INDEX 576.581 (+6) Close of business 1/9/82

Table with columns: Sum assured, Annual premium, Actual premiums, Single premiums





**Fisons buys Australian distribution business**

PHARMACEUTICALS and scientific equipment manufacturer Fisons is to acquire the medical and equipment distribution business of Watson Victor in Australia and New Zealand from Nicholas Kiv for £2.8m.

This forms part of Fisons' plans to develop its scientific equipment division, which already operates in nine countries.

Watson Victor will be merged with Fisons' existing Australian subsidiary, Townsend & Mercer. The new company, with combined sales of £14m, will become the leading supplier of scientific instruments in Australasia.

The product range of Watson Victor and Townsend & Mercer are complementary and the increased scale of operation will enable the merged business to trade more efficiently through the elimination of duplicated systems of distribution, Fisons says.

In February the company acquired Morgal Scientific (Singapore) Pte.

**MOSS ENGINEERING OFFSHOOTS SOLD**

The businesses of Stevens and Bullivant and Automatic Dryers have been sold by Alastair Jones and Tim Brookes, partners in chartered accountants Peat, Marwick Mitchell and Co, in their capacity as receivers and managers of those companies. Both companies were subsidiaries of Moss Engineering Group.

The purchaser is Birmingham Box (Holdings) and it is intended to continue the business at its present site in Western Road, Birmingham under existing management.

**Lesney Products offshoot bought out by management**

BY CHARLES BATELOR

Lesney Industries, the glass-making and plastic mouldings subsidiary of toy-makers Lesney Products, has been bought out by five members of its management.

Lesney Products went into receivership on June 11 in the face of a worsening cash shortage and bank borrowings which had risen to more than £20m.

Mr Roy Perryman, managing director of Lesney Industries, said the management team had the backing of Moroccan Investments, which had taken a 30 per cent stake in the company's equity.

Moroccan is owned by Middle East Bank, which will also provide working capital to the new company, British Gas Central Pension Fund and Prudential Assurance.

Mr Perryman declined to reveal the price of the buy-out.

Mr Guy Parsons, the joint receiver of accounts Peat, Marwick Mitchell, said it was not a large sum, but it was satisfactory in the circumstances.

Lesney Industries will continue to employ 57 of the original 93-strong workforce at its factory in Hackney, East London. The new company will retain the former company name.

Meanwhile, the receivers are continuing negotiations with three groups—two from the U.S. and one from Hong Kong—about the sale of the much larger Matchbox Toys operation, employing 2,000 people.

"We are getting to the final stages of discussions, though it is taking slightly longer than we thought," said Mr Parsons. "I am hopeful of reaching agreement within the next couple of weeks."

The receivers have eliminated two companies—one American, one French—from their discussions in the past few weeks. They hope to sell Lesney's UK and overseas operations as a package.

Trading in the toy-making division is continuing at a very satisfactory level and the company is working full-out for the Christmas trade, Mr Parsons said.

**MHL agrees Lifeguard bid worth £7.1m**

Multiple Health and Life Assurance Company (MHL) yesterday announced an agreed bid for Lifeguard Assurance valuing the company at £7.1m.

MHL will offer 950p cash for each Lifeguard share it does not already own. It holds 36,412 shares or 4.55 per cent of the £1.5m capital.

MHL's directors have recommended acceptance and undertaken to accept in respect of their own holding of more than 341,000 shares, representing more than 50 per cent of the capital.

MHL consists both general and life business. The whole of its preferred and deferred shares and 90 per cent of its ordinary shares are owned by members of the Waters building group family.

Lifeguard announced a fall in income in the year ended June 30, 1981 to £5.75m from £9.58m although this had been expected since the company ceased writing new business in 1971. Claims payments and expenses also fell—to £3.55m from £9.34m.

Lifeguard's shares, which are traded under rule 183(2) were suspended on Tuesday at 407p.

**U.S. expansion by Rugby Portland**

Rugby Portland Cement has purchased a one-third interest in Signal Cement Company at a cost of some U.S.\$4m.

Signal was recently formed in conjunction with Inft S.A. to acquire the assets of Signal Mountain Cement Company which operates a two kiln, 450,000 ton a year coal-fired wet process cement plant in Tennessee, U.S.

Signal Cement shares, previously owned by General Portland Inc, will be held as to one-third by Rugby and, for the present, two-thirds by Inft S.A. Inft S.A. is an associate of Instituto Finanziario Industriale SpA of Turin, of which the Agnelli and Nazi families are the main shareholders.

**Mixconcrete rejects higher Pioneer offer**

THE BOARDROOM split at Mixconcrete (Holdings) widened yesterday with the resignation of Mr James Mackness, one of the company's non-executive directors.

The other board members asked Mr Mackness to step down after his reaction to the offer of a revised £18.7m bid for Mixconcrete by Pioneer Concrete (Holdings), the company said. The board is maintaining its rejection of the offer.

Mr Mackness accepted Pioneer's offer in respect of the 1,027m shares held by Central Market (Pershore) Holdings, of which he is chairman although he has not sold the 3,000-4,000 shares he owns personally.

Pioneer's total holding in Mixconcrete represented 18.3 per cent of the equity yesterday compared with 16.3 per cent on Tuesday.

It first offered 185p for each Mixconcrete share, on July 15, putting a £14.5m value on the company, but on Tuesday announced it had increased its offer to 180p per share or £18.7m.

The directors of Mixconcrete, except for Mr James Mackness, and their financial advisers, Samuel Montagu, are unanimous in rejecting the increased offer as they consider the asset revaluation now being completed will show a figure substantially in excess of the increased offer price, the company and its bankers said yesterday.

The company's share price fell in yesterday to 481p.

**Marchwiel boosts profits and lifts payout midway**

DESPITE a decline in group turnover from £104.29m to £100.45m, pre-tax profits of Marchwiel advanced from £3.84m to £4.32m in the six months to April 30 1982. However, last year's figure included a non-recurring profit of £1.1m on the sale of an investment.

The directors are recommending a net interim dividend of 2.7p per 25p share, against last year's half-way payment of 2.4p. Last year a final of 4.2p was also paid, after pre-tax profits for the 12 months of £10.38m.

Earnings per share at midway are stated at 7.2p, up from 6.4p previously. Tax took £1.75m (£1.54m).

Marchwiel's building, civil engineering and public works contracting interests include the Sir Alfred McAlpine & Son companies. Mr A. J. McAlpine, group chairman, says that trading in the UK again had to contend with difficult conditions and low prices, but site economies and increased productivity have led to an improvement in margins.

"In general, trading overseas has been profitable although losses have been incurred in Portugal where until recently our companies have been successful. Unfortunately there has resulted in late payments which have slowed down our operations," Mr McAlpine says.

"Taking into account the profits now reported for the interim period, the current workload in the United Kingdom and overseas and the margins that are being achieved, the board, unless unexpected trading conditions arise, look forward with confidence to the outcome for the full year," the chairman states.

**comment**

Half-time progress by Marchwiel represented advances in both trading profits and investment income. This reversed the trend of the previous 12 months where gains—including a £1.7m non-recurring item—of some £7m on the non-trading side hid a decline in trading performance. A slimming of site work forces and more efficient use of plant, though slightly lengthening completion times, has benefited UK margins. The group believes it has made a breakthrough on its overseas business with the Nigerian contract—its first major overseas contract for two years. This is a project to build field hospitals and a large medical unit for which Balfour Beatty is the main contractor. Though the work may present physical problems, the contract looks financially secure as it is being funded offshore. The setback in Portugal promises to be short lived with payments starting to come through. If the better trend overall is maintained, further recovery to over £11m is indicated for the year. However, the lack of sparkle in yesterday's figures left the shares slipping 9p from their 1982 high of 138p for a prospective p/e of around 9.



**Interim Statement**

The unaudited estimated results of Guardian Royal Exchange Assurance plc for the six months ended 30th June 1982 are as follows:

	First 6 months 1982	First 6 months 1981	Year 1981
	£m	£m	£m
<b>Investment Income</b>	77.0	58.3	135.5
<b>Less Interest Payable</b>	5.6	4.6	9.8
	71.4	53.7	125.7
<b>Underwriting Results</b>			
Short-term (Fire, Accident and Marine)	(40.4)	(21.8)	(48.7)
Long-term	4.7	4.4	12.1
	(35.7)	(17.4)	(36.6)
<b>Profit before taxation</b>	35.7	36.3	89.1
<b>Less Taxation</b>	13.7	14.3	28.8
<b>Profit after taxation</b>	22.0	22.0	60.3
<b>Less Preference dividend and Minority Interests</b>	1.4	1.0	3.1
<b>Profit after taxation available to Ordinary shareholders</b>	20.6	21.0	57.2
<b>Ordinary Dividend</b>	11.0	10.6	27.5
<b>Transferred to retained profits</b>	9.6	10.4	29.7
<b>Earnings per Ordinary share (after taxation)</b>	13.1p	15.9p	39.5p

Results by Territories (before taxation)	First 6 months 1982			First 6 months 1981		
	Net Premiums	Underwriting Result	Investment Income	Net Premiums	Underwriting Result	Investment Income
Australia	24.3	(2.8)	4.0	17.9	(2.8)	2.5
Canada	33.7	(3.9)	5.1	34.6	(3.9)	4.1
France	8.6	(0.6)	1.1	7.9	(1.5)	1.1
Germany	76.1	(2.8)	7.5	70.4	(2.9)	6.5
South Africa	19.0	(0.2)	1.9	20.5	(0.8)	1.7
U.K.	197.3	(20.7)	35.5	185.8	(1.4)	23.9
U.S.A.	33.5	(2.0)	4.4	28.7	1.7	3.4
Miscellaneous	86.8	(7.4)	11.9	79.4	(10.2)	10.5
	479.3	(40.4)	71.4	445.2	(21.8)	53.7

The territorial results are stated after reinsurance protection from group companies including protection under the worldwide stop loss arrangements. The 'Miscellaneous' underwriting result includes this reinsurance in respect of the territories shown below:

	First 6 months 1982	First 6 months 1981
Australia	(0.8)	(3.5)
Canada	(1.3)	(1.7)
South Africa	0.5	(3.2)
Others	(1.1)	0.2
	(2.7)	(8.2)

Exchange Rates	30th June 1982	30th June 1981
Australia	1.69	1.69
Canada	2.22	2.30
France	11.88	11.08
Germany	4.29	4.65
South Africa	1.98	1.71
U.S.A.	1.72	1.94

Life New Business	First 6 months 1982	First 6 months 1981
New Sums Assured	2,775.1	2,229.0
New Annuities per annum	34.9	38.1
New Annual Premiums	21.5	20.7
New Single Premiums	34.8	12.7

The effect of exchange rate movements has been to increase net premiums by £8.7m, investment income by £1.7m and the short-term business underwriting loss by £1.1m. After allowing for the effect of exchange rate movements and income from the investment of proceeds of the rights issue in June 1981, the underlying growth in investment income was 20%. The underlying growth in premiums was 6%.

Recent short-term business underwriting results have shown an overall improvement on those for the early part of the year, but continue to reflect the extreme competition for business in the territories in which the Group operates. Compared with the first half of 1981, improved overall results have been achieved in all major territories apart from the United Kingdom and U.S.A. which were affected adversely by losses arising from the severe weather early in the year. The exceptional losses suffered last year in France and South Africa have not been repeated in 1982, but corrective action elsewhere is not yet fully reflected in the results.

Poor market conditions in the U.S.A. have delayed plans for more rapid expansion in that territory, but from July 1982 there was an increased participation in Guardian National in South Africa.

**Dividend**

An interim dividend in respect of the year 1982 will be paid on 5th January 1983 of 7p per share (1981—6.75p per share) which, with the tax credit available to eligible shareholders, is equivalent to 10p per share (1981—9.64p per share). This dividend will be paid to holders of Ordinary shares whose names appear on the register on 3rd December 1982.

\* Extracted from the Company's full Accounts for the year 1981 which received an unqualified Auditors Report and which have been filed with the Registrar of Companies.



**Guardian Royal Exchange Assurance**  
Royal Exchange London EC3V 3L5

**Akzo NV** Registered Office at Arnhem

Report for the 1st half year 1982



Consolidated statement of income	2nd quarter		1st half year	
	1982	1981	1982	1981
in Hfl million				
Sales	3,591.7	3,683.4	7,301.7	7,198.6
Operating costs excluding depreciation	(3,323.9)	(3,391.6)	(6,776.9)	(6,587.6)
Depreciation	(133.7)	(131.2)	(264.0)	(254.1)
Operating income	134.1	140.5	260.8	256.9
Interest	(72.7)	(94.7)	(154.9)	(182.5)
Operating income less interest	61.4	45.9	105.9	72.4
Taxes on operating income less interest	(13.5)	(20.3)	(27.7)	(33.5)
Equity in earnings of non-consolidated companies	15.8	23.5	23.5	46.1
Extraordinary items	1.2	(1.2)	(3.9)	(7.3)
Group income	64.9	48.6	97.8	77.7
of which minority interest	(5.8)	(2.7)	(12.8)	(1.7)
Net income	59.1	45.9	85.0	76.0
Net income per common share of Hfl 20, in guilders:	1.99	1.59	2.87	2.57
Common stock	591.9	591.9	591.9	591.9

**Sales and results**

In spite of a slight drop in sales, net income for the second quarter of 1982 was significantly higher at Hfl 59.1 million than the figure of Hfl 25.9 million achieved for the first quarter.

Sales in the first half of 1982 were fractionally higher than in the corresponding period of 1981, Hfl 7.3 billion versus Hfl 7.2 billion. Under pressure of the worldwide recession, volume sales fell 5% below the level of the first half of 1981. This was compensated by a rise in selling prices of approximately 8%.

Operating income for the first half of 1982 stood at Hfl 261 million, or Hfl 6 million higher than in the year earlier period.

Interest expense was lower, mainly because of lower interest charges in Latin America. Equity in earnings of non-consolidated companies was halved by a decline in the results of Cofrel, the Brazilian fire-arm company, and of the methanol producing plants in the Netherlands.

Net income for the first half of the year increased Hfl 9 million to Hfl 85 million.

In the face of an adverse business climate, volume sales of coatings were maintained at the level of the first half of 1981, with income continuing satisfactory.

Pharmaceuticals achieved a further improvement in sales and income, one factor being the success of new products.

Consumer products recorded higher sales, partly attributable to an acquisition. Operating income was lower; a contributory cause to this decline was the high cost of launching new products.

Lower earnings for miscellaneous products compared with the previous year were caused by the Akzo divisions Brand-Rex, producers of electrical and electronic connector components and systems, and Arma, producers of leather.

**Capital expenditures**

Expenditure for property plant and equipment in the first half of 1982 totaled Hfl 340 million, against Hfl 300 million in the corresponding period of 1981.

**Balance sheet**

The condensed consolidated balance sheet at June 30, 1982 printed below shows that Group equity increased Hfl 124 million in the first half of 1982.

**Personnel**

The number of employees fell by 1,500 in the first half of 1982 to 78,300; this decline is largely attributable to the implementation of rationalization and restructuring measures at Enka (British Enkator).

The Board of Management

Arnhem, August 1982

The breakdown of sales and operating income by product group is as follows (in Hfl million):	Sales				Operating income			
	2nd quarter 1982	2nd quarter 1981	1st half year 1982	1st half year 1981	2nd quarter 1982	2nd quarter 1981	1st half year 1982	1st half year 1981
man-made fibers	1,133	1,228	2,304	2,854	20	2	25	(5)
chemical products	385	365	1,945	2,008	(9)	23	38	69
coatings	421	404	783	780	35	41	48	33
pharmaceuticals	358	377	738	749	58	38	111	75
consumer products	276	259	531	481	11	18	21	23
miscellaneous products	529	481	1,035	934	17	25	34	46
	3,642	3,712	7,404	7,294	138	147	275	266
intra-Group deliveries	(50)	(48)	(102)	(97)	(4)	(6)	(14)	(11)
non allocated costs								
total	3,592	3,664	7,302	7,197	134	141	261	255

Consolidated balance sheet (condensed)	in Hfl million		in Hfl million	
	June 30, 1982	Dec. 31, 1981	June 30, 1982	Dec. 31, 1981
Property, plant and equipment	3,896	3,873	2,546	2,449
Investments in non-consolidated companies and other non-current assets	487	486	434	407
Inventories	2,707	2,506	2,980	2,838
Short-term receivables and prepaid expenses	2,829	2,633	2,575	2,730
Cash and marketable securities	287	898	3,545	3,215
<b>Total assets</b>	<b>10,796</b>	<b>10,196</b>	<b>10,756</b>	<b>10,195</b>
Stockholders' equity per common share of Hfl 20, in guilders:	86.00	82.72		

The principles of consolidation, valuation and determination of income are the same as used in preparing the 1981 financial statements. The positive inventory valuation differences shown in the first half year of 1982, which were only modest compared with last year, will not be distributed over the whole year but are fully included in the results.

Copies of this report may be obtained from the London Paying Agent: Barclays Bank Limited, Securities Services Department, 54, Lombard Street, London EC3P 3AH.







Handwritten note: شكرا لمراسلتي

Companies and Markets

UK COMPANY NEWS

Babcock expands to £8.27m at six months

WITH THE principal contributors to the improvement being the businesses engaged in contracting operations and the companies of the industrial and electrical products group...

The net interim dividend is maintained at 3.4p per 25p share - last year's total was 7p paid from pre-tax profits of £14.07m...

On a CCA basis the pre-tax figure is reduced to £1.82m (£1.85m losses). Despite an exchange loss of £3m on the group's Mexican investments...

is compared with £1.19bn at June 28 1981. Except in the construction equipment group, there has been a welcome upturn in the business activities of all the principal UK-based companies...

Sharp rise to £148,000 for Arrow Chemicals

MORE THAN doubled pre-tax profits were shown by Arrow Chemicals Holdings from £56,000 to £148,000 for the 26 weeks to July 2 1982...

R. H. Morley shows losses of £35,967

Despite a rise in turnover from £2.33m to £3.49m in the year to March 31, 1982, R. H. Morley Group moved from pre-tax profits of £100,244 to a loss of £35,967...

Laws Stores falls and closes three branches

Despite a 10 per cent increase in sales from £48.6m to £53.04m, the branch network of Laws Stores, an unquoted company, fell from 227 to 224 in the year to April 16, 1982...

Dewhurst on target with £1.37m for first half

DESPITE TRADING conditions remaining difficult during the six months to July 16, 1982, Dewhurst Holdings lifted pre-tax profits for the period to £1.37m, an increase of 27 per cent over the £1.08m returned for the corresponding months a year earlier...

Yearlings total £15.75m

YEARLING BONDS totalling £15.75m at 10 1/2 per cent redeemable on September 7 1983 have been issued this week by the following local authorities...

WERELDHAVE N.V. Beleggingsmaatschappij Wereldhave (Investment company with variable capital) 23, Nassauaan - 2514 JH The Hague, The Netherlands 1982 INTERIM DIVIDEND

Parkfield Foundries well down Foundries dropped from £126,022 to £86,159 for the year ended May 1, 1982 following a £36,258 downturn to £14,750 after six months recovery for the full year advanced marginally to £5.01m, compared with £4.75m previously...

RESULTS AND ACCOUNTS IN BRIEF HIGHLANDS AND LOWLANDS BHD (plantation company incorporated in Malaysia) - Results for six months to June 30 1982: Pre-tax profit M\$18.5m (M\$18.8m); turnover M\$42.2m (M\$41.5m); investment income M\$5m (M\$4.3m); tax M\$2.3m (M\$2.8m); interim dividend 3 cents (same); earnings per share 3.51 cents (3.77 cents). Second half profits are expected to be lower and the company may not be able to maintain the final dividend at last year's 10 cents.

Asahi Chemical Industry Co., Ltd. U.S. DLRs 30,000,000 6 3/4% Convertible Bonds due September 30, 1990 (THE "BONDS") NOTICE IS HEREBY GIVEN that, pursuant to 6(B) of the Terms and Conditions of the Bonds issued under a Trust Deed dated December 18, 1975, the Company has elected to exercise its right to, and shall, redeem on September 29, 1982 (the "Redemption Date") all of its outstanding Bonds at a redemption price of 102 1/2% of the principal amount thereof, together with accrued interest from March 31, 1982 to the Redemption Date which shall be U.S. Dollars \$1.08 per \$1,000 Bond.

To All Shareholders of Global Natural Resources PLC THE TRUTH ABOUT GLOBAL & MCFARLANE The Warner-Bertoglio group have spent large sums of money publishing a highly misleading account of the McFarlane acquisition. The truth is as follows: Global has never over-valued McFarlane's oil and gas reserves. Global's technical staff and advisers conducted a thorough review of McFarlane's assets and the price agreed (after hard negotiation) reflects - greatly to Global's advantage - the current "buyers' market" for oil and gas assets. Global is paying approximately \$25 million for McFarlane's proven reserves of oil and gas despite the fact that McFarlane's engineers estimated the value of these reserves to be considerably higher and their value estimated according to the guidelines laid down by the American SEC was \$49 million.



COMMODITIES AND AGRICULTURE

Companies and Markets

Poor outlook for jute

JUTE producing countries are facing falling prices, shrinking markets, prolonged consumer economic recession and rising freight charges, India's textile secretary has warned.

Sugar falls to 4-year low

THE London daily price for raw sugar struck a four-year low yesterday, at \$89 per tonne, with some dealers claiming that there is little now to prevent prices falling to 10-year lows over the next few months.

Rubber producers meet

KUALA LUMPUR—A review of the buying operations of the International Natural Rubber Organisation (Inro) buffer stock manager is likely to feature prominently in the two-day Inro special council session beginning today.

ALUMINIUM

Bauxite agreement sought

The International Bauxite Association, a group of 11 producing countries, is to seek a commodity agreement with consuming countries at UNCTAD discussions in Geneva in November.

BY CANUTE JAMES IN KINGSTON

deserving of better treatment than they have had in the past. The talks in Geneva will be coming at a time when the eight-year-old producers' group is pondering, apparently helplessly, on the damage to the economies of its poorer members because of the fall in demand for bauxite following the slump in the aluminium market.

The IBAs has dedicated much of its time to discussing price formulae intended to get its members the best deal, while taking into account the state of the market. Each year the association recommends minimum prices to its members, intended to cover bauxite and alumina. These recommended prices are pegged to the price of ingot on the U.S. metals market.

Gold below \$400

BY JOHN EDWARDS, COMMODITIES EDITOR

GOLD dipped below \$400 in after hours trading yesterday, after closing officially in the afternoon \$11 down at \$402.5 a fine ounce. Sentiment was reported to be depressed by the failure of any further fall in U.S. interest rates to materialise and news of Chemical Bank increasing its broker loan rate.

lead on the London Metal Exchange closed \$4.5 down at \$297 a tonne, but cash zinc ended \$7.25 to \$425.25 a tonne following trading buying interest.

Farm land prices steady

By Our Commodities Editor

AVERAGE price for farmland, with crop production in England fell to £1,360 per hectare in the three month period to July, according to the latest estimates issued yesterday by the Agricultural Development Advisory Service, in conjunction with the Agricultural Mortgage Corporation and the County Landowners' Association.

Canberra boosts drought aid

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIA is facing its worst drought on record. The federal Cabinet, meeting in Adelaide, this week announced an aid package for farmers, comprising subsidies towards interest payments, and money to buy fodder.

This week, it was disclosed that 80,000 farms—60 per cent of Australia's total—were struck. Mr Fraser said the position was one of "infinite seriousness".

A meeting of state agriculture ministers on Monday will review current levels of aid. With more than 90 per cent of New South Wales officially drought-stricken, the NSW Minister, Mr Jack Hallam, has been touring the state to gather information for Monday's meeting.

LONDON OIL SPOT PRICES

Table with columns for oil types (Crude Oil, Light Oil, etc.) and prices. Includes sub-section for PRODUCTS—North West Europe.

GAS OIL FUTURES

Table showing gas oil futures prices for various months (Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec).

BRITISH COMMODITY MARKET

Table listing prices for various commodities including Copper, Tin, Lead, Zinc, Nickel, and Silver.

SILVER

Table showing silver prices in different forms (Bullion, etc.) and locations (London, etc.).

RUBBER

Table showing rubber prices for various grades (RSS, etc.) and origins (Malaysia, etc.).

PRICE CHANGES

Table listing price changes for various commodities like Metals, Copper, Gold, etc.

AMERICAN MARKETS

Table showing market data for New York, including gold and silver prices.

GOLD MARKETS

Gold fell \$11 an ounce from Tuesday's close in the London bullion market yesterday to finish at \$402.403. The metal opened at \$403.404 and touched a high of \$406.406 before easing back to close at its lowest level since 1978.

LONDON FUTURES

Table showing futures prices for various commodities like Tin, Lead, Zinc, Nickel, and Silver.

COFFEE

Table showing coffee prices for various grades (Arabica, Robusta, etc.) and origins (Brazil, etc.).

COCOA

Table showing cocoa prices for various grades (Baker's, etc.) and origins (Cote d'Ivoire, etc.).

SOYABEAN MEAL

Table showing soyabean meal prices for various grades and origins (Brazil, etc.).

INDICES

Table showing various financial indices like Gold Bullion, Gold Coins, etc.

TUESDAY'S CLOSING PRICES

Table showing closing prices for various commodities like Tin, Lead, Zinc, Nickel, and Silver.

ESTABLISHED 1879 BACHE

OFFER THE FOLLOWING COMMODITY SERVICES: Trading Gold around the clock, weekly fundamental and technical analysis on all American and UK markets.

PERSONAL

IN LOVING MEMORY Floral tributes laid. Your regard for a departed friend lives on in you.

LEAD

Table showing lead prices for various grades and origins.

COFFEE

Table showing coffee prices for various grades and origins.

SOYABEAN MEAL

Table showing soyabean meal prices for various grades and origins.

INDICES

Table showing various financial indices like Gold Bullion, Gold Coins, etc.

EUROPEAN MARKETS

Table showing market data for European markets like Wheat, etc.

CLASSIFIED ADVERTISEMENT RATES

Table listing rates for different types of classified advertisements.

PERSONAL

THE SUN SHINES All the sun in this world is yours. We have a selection of 100 top quality 'vacation' houses.

LEAD

Table showing lead prices for various grades and origins.

COFFEE

Table showing coffee prices for various grades and origins.

SOYABEAN MEAL

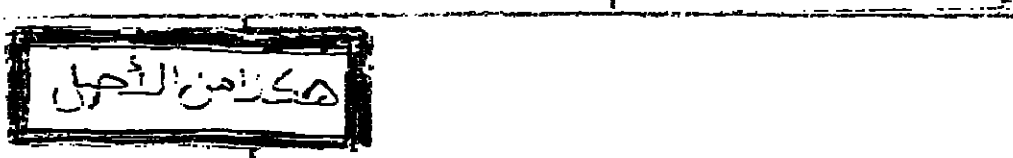
Table showing soyabean meal prices for various grades and origins.

INDICES

Table showing various financial indices like Gold Bullion, Gold Coins, etc.

EUROPEAN MARKETS

Table showing market data for European markets like Wheat, etc.





Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

\$200m floating rate issue from Bankers Trust NY

By Alan Friedman

BANKERS TRUST NEW YORK, the fifth largest U.S. bank, is raising \$200m through the issue of floating rate Eurozone paper bearing an interest margin of 3 per cent above the mean of the bid and offered three-month London interbank rates.

The 12-year paper carries a 5 1/2 per cent minimum coupon and is lead-managed by Bankers Trust and Morgan Stanley. This is the first time since 1965 that Bankers Trust has offered a Eurobond.

In the U.S. bond market, meanwhile, Australia has announced a \$400m two-tranche issue, the first portion maturing in 10 years and the second \$200m carries a 25-year maturity. Morgan Stanley is lead manager.

Prices of Eurodollar bonds yesterday gained around a point

In light of secondary trading, the market's attention was focused upon this week's new issues for Manitoba, Bank of Tokyo and Compagnie Financiere de Paribas. The Bank of Tokyo 13 1/2 per cent seven-year bonds were said to be selling at a bid price of 99 1/2 to 99 3/4 against an issue price of par.

The Bank of Tokyo deal involves an inter-rate swap whereby a counterparty agrees to service the 13 1/2 per cent Eurozone issue and the Bank of Tokyo takes over the counterparty's floating rate debt. It is believed that the main intermediary for the counterparty is none other than Bankers Trust. The U.S. bank is passing the 100 per cent Bank of Tokyo rise to one of its clients and earning an additional fee.

Bankers involved in the deal maintained, however, that the \$200m floating rate deal for Bankers Trust is not connected to the interest rate swap deal with Bank of Tokyo despite the coincidence of timing.

The Euro-D-Mark bond market closed unchanged last night while the Swiss franc sector was slightly improved amid moderate trading activity. A SwFr 20m 8-year 6 1/2 per cent convertible bond is being placed privately for (to man), the Japanese textiles group, Banca del Gottardo is arranging the placement.

In the European Currency Units market an ECU 30m 10-year issue is out for the council of Europe through Societe Generale. The coupon is 13 1/2 per cent and the paper may be called back by the borrower after the sixth year at 102.

Marietta counterbid rejected by Bendix

By Richard Lambert in New York

THE BENDIX Corporation board has rejected as grossly inadequate Martin Marietta's cash tender offer for just over half of Bendix's shares at \$75 a share.

The bid was announced on Monday, in response to an unwelcome offer last week by Bendix the maker of motor parts, aerospace components and other industrial products, to acquire control of Martin Marietta, the diversified aerospace group.

Meanwhile, Martin Marietta yesterday turned to the courts as part of its all-out effort to halt the takeover bid from Bendix. It filed a suit in a Maryland federal court alleging that the Bendix offer was illegal and would cause "irreparable harm" to Martin Marietta's customer base and shareholders.

The suit claimed \$100m in damages against Bendix.

Martin Marietta made it clear, however, that it was not actively engaged at present in takeover talks with other companies, but was reserving all its options.

Mr William Agee, chairman of Bendix, said the Bendix offer was "the proper means of achieving what we appear to be our common aim of combining the two companies."

He added: "We are determined to push our transaction through to completion. If Martin Marietta persists in its diversionary scheme, we will acquire more than 50 per cent of Martin Marietta's shares in our initial cash offer."

In connection with this, the company filed a pre-merger notification under anti-trust laws which would allow it to acquire more than 50 per cent of the shares in its tender offer compared with its original offer for 45 per cent.

Martin Marietta is trying to encourage Bendix shareholders to accept its bid quickly, by offering a generous \$75 a share, for just over half of Bendix's shares, followed by a paper offer for the rest, which may be worth no more than about \$55 a share.

Bendix said that this was "blatantly discriminatory and unfair". It also indicated that it was starting litigation against the company.

Bendix shares closed last night at \$56.5, down 50 cents, while Martin Marietta shares closed unchanged at \$40.

Mr Charles E. Hugel has resigned from its board, Reuter reports from Bethesda. Earlier, it was announced that Mr Hugel became president of Combustion Engineering. Marietta said "an apparent conflict in the marketplace" between Marietta and Combustion was the reason for Mr Hugel's decision.

A bank's new chief will have his work cut out, William Hall reports Fresh Canadian blood at Orion

MR JOHN ABELL, the 51-year-old Canadian national who will take over as chief executive of Orion Royal Bank in November, will be the bank's fourth chief executive in three years, and his appointment underlines the uneasy relationship which exists between big commercial banks and their merchant banking offshoots.

The Royal Bank took over Orion—one of the City's biggest consortium banks—last year for around \$50m (\$85.5m) and replaced Mr Jeff Cunningham as chief executive with his own man, Viscount Hardinge, who was running Royal Bank of Canada (London)—a small merchant bank.

Mr Cunningham himself had only held the job for 18 months, having replaced Mr David Montagu at the end of 1979 after the latter quit following differences of opinion with shareholders about the future direction of the bank.

Now the Royal Bank of Canada has decided to reshuffle the top management again and bring in Mr Abell, who has spent the past 27 years working for Wood Gundy, Canada's leading investment banker. As one of the firm's vice-chairmen, he has built a reputation as one of Canada's leading corporate finance men.

Mr Abell is no stranger to the UK. Born in Kent and educated at Oxford, his father was a director of the Bank of England and he has a brother, Mr T. G. Abell, who is a managing director of Baring Bros., one of

the City's leading accepting houses.

However, Mr Abell will have his work cut out as Orion Royal Bank. Four years ago it was the biggest consortium bank in London and making pre-tax profits of over \$20m.

Its profits in its last financial year have dropped to an annualised rate of less than \$10m despite a near doubling in its balance sheet, it has lost several senior executives since the Royal Bank takeover, and its management is top heavy. It has lost much of the momentum it had under Mr David Montagu when it was establishing itself as an independent merchant bank.

At last count, Orion Royal had three deputy chairmen, two vice-chairmen, three managing directors, one executive vice-president, 36 directors and 21 associate directors. Observers believe that the Royal Bank of Canada needs to get to grips quickly with Orion Royal's big overheads, and this will be one of Mr Abell's first tasks.

Since it was established in 1970 Orion has concentrated its efforts on international capital markets and loan syndications.

Last year, for example, it lead-managed or co-managed 129 syndicated credits totalling \$19.6bn, and in the capital markets it lead-managed or co-managed 91 issues totalling \$6.1bn. It is one of only three international institutions which ranks among the top 15 lead managers in both the Eurobond and Eurodollar syndicated loan

markets. However, its profitability has not matched its visibility in these markets.

Mr Geoff Styles, who heads the Royal Bank's merchant banking division, says that this sort of business tends to ebb and flow and Orion is not immune to some of the loan problems afflicting other international banks.

As a result, the Royal Bank is anxious to broaden Orion's

in this area.

Mr Styles says that Mr Abell's appointment should be seen as "an evolutionary step". He stresses that Viscount Hardinge has done a good job merging the Royal Bank of Canada (London) with Orion, but believes that it is in the long-term interests of the bank to be run by a career merchant banker.

Viscount Hardinge, a career Royal Banker, will stay on as deputy chairman of Orion Royal Bank. He will have broad senior management responsibilities and will focus his attention on Orion's traditional commercial banking-related services, including syndicated loans, Mr

scope putting increasing emphasis on investment banking activities such as corporate finance, advisory services, portfolio management and mergers and acquisition.

This is where Mr Abell fits in. At Wood Gundy he has worked extensively in the corporate finance field and most recently has been advising the Canadian Government about how to solve the financial problems of Massey Ferguson. He will bring to Orion a knowledge of the top Canadian corporations and strengthen its efforts

activity will pick up in the second half.

The subsidiary's second quarter net fell 60 per cent as a result of lower prices for its oil production and increased costs. While its natural gas sales were flat.

Discussing Transco's entry into the coal business with the purchase last April of three subsidiaries of General Energy Corporation for \$70m, Mr Bowen said the company hopes to expand on that base to become a sizeable coal producer.

Transco would expect to become involved in coal slurry pipelines if Congress passed legislation granting such pipelines the right of eminent domain, he stated.

Since the takeover of Orion last year, there has been growing unease among some Orion executives about the loss of independence which the takeover implied. Mr Abell's appointment underlines the Royal Bank's acceptance that it needs to give its merchant banking arm a certain measure of independence. Whether this is sufficient to ensure that Orion Royal can rebuild its reputation as an independent international merchant bank which can match the competition of the London accepting houses and the U.S. investment banks, only time will tell.

GENERAL MOTORS Acceptance Corporation (GMAC), the motor giant's financing and insurance subsidiary, filed a shelf registration with the Securities and Exchange Commission of its debt securities from which the company will receive up to \$1bn in net proceeds.

GMAC may sell the securities directly to purchasers, as well as through agents, dealers and underwriters.

Firms which may act as managing underwriters are Morgan Stanley, First Boston Corporation, Merrill Lynch White Wolf Capital Markets and Salomon Brothers.

New Jacobs move to win control of Pabst Brewing

By Our Financial Staff

MR IRWIN JACOBS, the dissident shareholder whose bid for Pabst Brewing was withdrawn in July, is now back in trouble with the Justice Department, yesterday disclosed a fresh plan for a change of control at the Milwaukee-based brewer.

He said that his Shareholders' Committee to Revitalize Pabst has filed with the Securities and Exchange Commission its "intention to solicit consent of Pabst shareholders for the removal of the present board and its election of the Committee's nominees. Mr Jacobs and three associates hold about 14 per cent of Pabst's 8.2m shares.

In Minneapolis yesterday, Mr Jacobs also said that if he and his associates succeed in their plan, they intend to take Pabst

into private ownership.

In their filing to the SEC, the committee said its nominees are elected to the board of Pabst. It plans to begin "immediately" a tender offer for Pabst for 4m of its own common shares—or about 49 per cent of the total equity—at \$25 each.

Mr Jacobs said the Committee would first offer a combination of cash debentures and equity with at least \$:1 a share comprising securities for the rest of Pabst's equity.

Mr Jacobs' previous offer for the Pabst equity was to have been in the form of a tender offer of either \$25 or \$24 a share, depending on whether the brewing company completed a merger with Olympia Brewing, a move launched to thwart Mr Jacobs.

Another heavy loss at Wickes

By Our Financial Staff

A LOSS of \$566,000 for the second quarter of this year is reported by Wickes, the Los Angeles-based retailer and manufacturer currently operating under Chapter 11 of the Bankruptcy Acts. Wickes turned in a loss of \$258.3m for fiscal 1982 and a \$156.4m deficit for the first quarter of this year.

Mr Sanford Sigoloff, chairman, said yesterday that he expects to be able to report continued improvement throughout the remainder of the year. In last year's second quarter, Wickes earned \$1.6m or 7 cents a share.

For the first six months, Wickes has lost \$157m compared with a profit of \$4.8m, sales have fallen only modestly.

Mr Sigoloff said that the board will be taking a number of "rehabilitative programmes" to the company's creditor committees in the near future.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday, September 14.

Table with columns: U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, CONVERTIBLE BONDS, STRAIGHT BONDS, Floating Rate Notes, and YEN STRAIGHTS. Each section contains columns for Issued, Bid, Offer, and Change on day.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday, September 14.

Table with columns: OTHER STRAIGHTS, FLOATING RATE NOTES, AMERICAN STORES, AUTOMATIC DATA PROCESSING, ANVET, BANK OF NOVA SCOTIA, CONSOLIDATED FOODS, LEVITZ FURNITURE, LONGS DRUG STORES, and SIGNOR. Each section contains columns for Issued, Bid, Offer, and Change on day.

Transco set for record year

By Our Financial Staff

DESPITE DISAPPOINTING second quarter returns from its exploration offshoot, Transco Energy—which changed its name from Transco Companies in May—is still confident that earnings for the whole of 1982 will set another record and comfortably exceed \$6.00 a share.

Wall Street analysts have been predicting earnings of between \$6.25 and \$6.30 a share.

Earnings totalled a record \$140m or \$5.41 a share for the whole of 1981 with the exploration unit contributing 34 per cent of the total.

Mr W. J. Bowen, chairman and chief executive, has already predicted record profits this year because of improved pipeline results and tax credits for

GMAC shelf registration

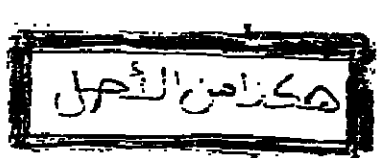
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Advertisement for Instituto Nacional de Obras Sanitarias, Venezuela. Includes logo 'ino', 'Credit Facility', and a list of member banks such as Credit Suisse, The Bank of Yokohama, and others.





# INTERNATIONAL COMPANIES AND FINANCE

## Roderick Oram looks at a Malaysian group's attempts to diversify Sime Darby stuck in the mud

THE EFFORTS of Sime Darby, the Malaysian conglomerate, to grow out from its deep agricultural roots have come too late to save it from the current sharp drop in commodity prices. The depressed profits for the year just ended (June 1982) reflect all too painfully Sime's dependence on an agricultural economy. Profits after tax fell by 25 per cent to 92.6 ringgits (US\$39.5m) with the big plantations and agricultural equipment divisions heading the list of trading culprits. Diversification presents Sime with two fundamental problems which have wracked the group before. First, diversification, by necessity, means investing outside Malaysia because the country has limited opportunities for a company of Sime's size. A previous Sime management invested abroad in the early 1970s, causing a political backlash in Malaysia. Local institutions gained shareholder control, ousted the board and turned the group into a Malaysia-owned and registered company. Second, diverse activities impose wider and heavier demands on executives' time and talent. Observers question whether Sime's management is fully developed yet for these tasks. However, the company is prepared to sketch out in broad terms the direction it would like to take.

"We're a Malaysian-based regional conglomerate," says Tunku Ahmad Yahaya, the group's joint chief executive. "We're sizeable in certain basic areas of agriculture with a traditional mix of rubber and oil palm. We need to think of being more sophisticated in the 1980s in marketing our commodities at the first stage of value added." Tunku Ahmad admits that Sime lacks a detailed strategic plan beyond the general philosophy. Attempts to turn divisional three-year rolling plans into sharp targets by events, he says. Some divisions have begun to evolve along these general lines. A prime example is the development of oil palm refining, and the purchase of Goodyear's Philippines tyre making operations. The group has also, however, become rapidly involved in a

style is different, though. "We look for manageable projects in which we can take an active part. We are not portfolio investors." These demands are being made on a relatively new head office team. The group moved its headquarters from Singapore to Kuala Lumpur in February, 1978 to reflect the newly-acquired Malaysian control. "Most of the 70-80 people in Singapore were offered jobs in

executive says. "He's not achieved that yet." Meanwhile, expansion continues apace in all the group's operations. Sime has not added to its land holdings since its abortive bid for Guthrie Corporation, the other major Malaysian plantation group, in 1980. It has, however, rapidly supplemented its own holdings of about 200,000 acres with land management deals.

The group has invested heavily in downstream commodity operations such as oil palm refining. It sees great potential for vegetable oils as alternatives to petroleum as a feedstock for such products as detergents and lubricants. On the engineering side, Tractors Malaysia continues to invest heavily in depots and training and in local fabrication. Fully 75 per cent of its products come from a Japanese manufacturing joint venture between Caterpillar Tractor and Mitsubishi.

At times as much as 70 per cent of Tractor's profits can come from the logging industry. This industry is going through its first recession since 1973-74 and the upturn this time is late and slow in coming. Sime took a big step earlier this year to diversify its engineering interests with the acquisition of a 60 per cent stake in CE Crest Engineering, a subsidiary of Combustion Engineering of the U.S. This gives Sime access to a potentially large market in offshore rigs and related products.

A further example of this trend is the deal in June in which Fireman's Fund, the into a corporate-plan kept American Express subsidiary, is taking minority equity interests in Sime's United Malaysian Insurance and in other Sime insurance operations in Hong Kong and Singapore.

The search for qualified staff was made harder by the need to heed the country's racial composition. In addition, there continues to be a steady departure of expatriate staff. Several senior managers point out that Tunku Ahmad's previous experience as head of Dunlop Malaysia consisted essentially of running a company with a narrow product range based on one commodity—rubber.

"But now that he's dealing with diverse interests, he's going to have to assemble a team around him with all the expertise to be successful," one

	Ringgit 1981-82	Ringgit 1980-81
Plantations	83.4	91.8
Tractors	86.3	118.2
Hong Kong	29.2	30.0
Asian & Pacific Basin	32.8	27.0
Western	*5.5	*4.5
Central expenditure, less income	(12.0)	(14.6)
Shaw Wallace Associate	9.5	7.7
	<b>223.7</b>	<b>247.8</b>
Net interest, less investment income	(13.9)	(2.2)
Profit before tax	<b>209.8</b>	<b>245.6</b>
* Loss		

diverse range of activities throughout the region from insurance and car hire to genetic and offshore engineering and the Boeing aircraft franchise for Malaysia.

Many of these activities are clearly beneficial to the Malaysian economy so there have been no political repercussions. Senior managers are attuned to political leaders' thoughts on suitable avenues for expansion, and Sime's board is studded with highly influential men who are well connected with the country's small political elite.

The diversifications would not impose a large work load on management if they were passive investments. Sime's

## Dividend halved at Dutch ship group

By Our Amsterdam Correspondent

VAN OMMEREN, the Dutch shipping and storage group, suffered sharply lower net profits for the first half of this year at F1 22.2m (S8.1m) compared with F1 52.5m in the opening six months of 1981. The interim dividend is being halved to F1 50 a share.

The company sees little improvement ahead and considers that earnings for the second half of this year may be even lower.

Gross income from January to June was F1 83.5m, down from F1 118.3m a year before, with much of the decline arising from reduced business in the ocean transport and bulk storage sectors.

Inland shipping showed a positive balance following an improved performance by foreign-based companies, and there was also a good result from the agencies and transport division.

Net profit per share fell to F1 2. Earnings per share came to F1 8.40 for the whole of last year.

In 1981, when net profits totalled F1 91.2m, the company paid a total dividend of F1 3.50.

## Pakhoed holds levels

BY HILARY BARNES IN COPENHAGEN

Pakhoed, the Dutch transport group, made a net profit of F1 15.2m (S5.6m) for the first six months of this year, just 2 per cent more than in the same period in 1981. On balance, group results have held steady, says Pakhoed. It forecasts a group result for 1982 as a whole not less than for 1981. Extension plans for group terminals in Rotterdam are still being studied, and no decision has yet been taken on beginning construction.

## Danish group in red

ISS, the Danish international service systems group, reports a DKr 7.2m (S26.540) first half loss, compared with a DKr 13.3m profit last year. The loss stems from increased provisions for insurance cover for the U.S. operations. The company's auditors have called for an increase of DKr 20m in the provision. Earnings for the full year are expected to be somewhat lower than in 1981.

## Aker to close yards

Aker, Norway's largest shipbuilder, has decided to withdraw from shipbuilding and concentrate on oil-related work like offshore rigs. The move aims at pulling the concern back into profit. With 9,500 on its payroll, Aker has lost about Nkr 250m (S37.1m) on operations over the past three years. The company expects to have made "considerable progress in drawing up the necessary plans" by the autumn.

## ESAB lifts profits

ESAB, the Swedish welding equipment group, raised first-half earnings by 52 per cent to SKr 70m (S11.5m) with sales advancing by 27 per cent to SKr 1.14bn. It forecasts a continued improvement in results for 1982 as a whole. Last year, the pre-tax profit was SKr 112m. Sales of consumable welding material, which accounted for 55 per cent of turnover, grew by 38 per cent in the half year and deliveries of welding machinery rose by just over 12 per cent. Sales of welding robots increased substantially.

## Fagersta cuts loss

Fagersta, the Swedish special steels company, cut its pre-tax loss from SKr 21m to SKr 2m (S328,000) in the six months to June 1982. Sales rose by 12 per cent to SKr 1.1bn. The company expects that the 1982 result will show an improvement on the pre-tax loss of SKr 102m recorded last year. Turnover is forecast to reach SKr 2.15bn. Fagersta is negotiating with Uddeholm the merger into a separate jointly owned concern of their high speed steel operations.

## Paper group slips

Buhtmann-Tetterode, the Dutch paper publishing group, reports first half profits down 80 per cent at F1 3.7m (S1.4m). For 1982 as a whole, it forecasts a profit of between F1 10m and F1 15m.

## Nationale Nederlanden improves interim result

BY WALTER ELLIS IN AMSTERDAM

NATIONALE NEDERLANDEN, the largest Dutch insurance group, increased net profits by 3.4 per cent to F1 183m (S67.1) in the first half of this year on revenues up 18 per cent at F1 5.8bn.

At the same time, earnings at Amfas, the fourth-largest insurer, fell by 10 per cent to just over F1 20m. Turnover was 11.4 per cent higher, at F1 989m. Revenue from within the Netherlands rose by 10 per cent at Nationale Nederlanden as increased receipts from life insurance more than compensated for a sharp fall in the non-life sector. Abroad, revenue went up by 27 per cent, more

than one-third of which came from new participations, including Mercantile Mutual Holdings (Australia). The international contribution to premiums increased from 53 per cent of the total to 56 per cent.

Nationale Nederlanden is clearly happy with its first-half results. Nevertheless, it considers the situation of the non-life sector to be "precarious" and feels that most of the increase in 1982 profits has already been made.

Last month, Nationale Nederlanden put up a bid for the Dutch civil service pension fund

aimed at saving the Dutch mortgage bank, Westland-Utrecht, from possible bankruptcy. It estimates that this transaction will result in a negative impact on profits per share in the next few years of less than 1 per cent.

Profit per share for the first six months was F1 10.19, and the interim dividend has been fixed at F1 3.90 per share.

At Amfas, profit per share is down to F1 8.46 and the interim dividend is to be unchanged at F1 2.40. Amfas forecasts that its net profit for 1982 as a whole will differ little from the profit last year of F1 48m.

## AGA up sharply in first half

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

AGA, the Swedish industrial gas and heat engineering group, increased earnings after interest charges by 24 per cent to SKr 217m (S35.3m) in the first half of 1982. Sales grew by 11 per cent to SKr 2,640m.

Mr Marcus Storch, managing director, predicts that for 1982 as a whole earnings will grow by more than 15 per cent compared with SKr 368m reported unchanged currency losses of SKr 55m, reducing the profit to SKr 162m against SKr 120m for the first six months of 1981.

After extraordinary income of SKr 131m, deriving mostly from the sale of a real estate business, the group posts a half-year figure of SKr 293m, compared with SKr 124m.

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## Slower growth expected at Burmeister and Wain

BY HILARY BARNES IN COPENHAGEN

BURMEISTER and Wain, the shipyard, expects to make a pre-tax profit of about DKr 50m (S5.73m) for 1982, having achieved a first half profit of DKr 47m. In the 18-month period ended December, 1981, the shipyard made a DKr 150m loss.

The slowdown in earnings growth in the second half will be because one of the three bulk carriers to be completed in this period will not be invoiced until the first days of the New Year.

The yard, shares in which are currently held by the state pending the completion of bankruptcy proceedings, holds orders for a series of 64,000 dwt bulk carriers which will keep the yard fully employed until about the third quarter of 1984. Only one new bulk order has been taken over the past 12 months.

© Bang and Olufsen, manufacturers of television and hi-fi equipment proposes an unchanged 10 per cent dividend for the year ended May, 1982, having improved pre-tax earnings from DKr 14m to DKr 21m. Earnings before net financial costs and extraordinary items were up from DKr 54m to DKr 62m on sales of DKr 1.16bn.

against DKr 1.01bn. The result is described as satisfactory but the group is nonetheless undertaking measures aimed at rationalisation. SDS, the Danish savings bank, improved first half operating earnings before depreciation, bad debt provisions and adjustments for portfolio values from DKr 90m to DKr 179m. About DKr 25m of the improvement was due to a lower unrealised loss on foreign exchange.

The bank said it expected to reach its budgeted operating profit for the year of DKr 340m. Loss provisions would remain high this year, however, and it would be necessary for the bank to improve primary earnings and limit the increase in costs.

The bank's balance sheet total increased from DKr 29.4bn in mid-year 1981 to DKr 30.2bn at the end of June this year. The new board consists of Dato Junus Sudin, who becomes the chairman, Tan Sri Lee Siew Yee, the former group chief editor, and newcomers, Dr Salim Cassim, and Azat Kamaluddin, a lawyer, who are closely aligned to the leadership of Dr Mahathir, the Prime Minister, and Datuk Musa Hitam, his deputy.

## Shake-up for Malaysian news group

By Wong Sulong in Kuala Lumpur

MALAYSIA'S largest newspaper publishing group, the New Straits Times, has been restructured, a move that is seen to have been dictated by the country's new leadership.

Those dropped included Tan Sri Sheikh Abdullah, chairman, Mr Zakuan Ariff, managing director, Nik Ibrahim, deputy managing director, Dr Noordin Sopiee, the group's editor-in-chief, and Dr Cheah Cheng Kool, a dentist.

The new board consists of Dato Junus Sudin, who becomes the chairman, Tan Sri Lee Siew Yee, the former group chief editor, and newcomers, Dr Salim Cassim, and Azat Kamaluddin, a lawyer, who are closely aligned to the leadership of Dr Mahathir, the Prime Minister, and Datuk Musa Hitam, his deputy.

## Warner-Lambert Company

has acquired

## IMED Corporation

The undersigned initiated this transaction and acted as financial advisor to Warner-Lambert Company.



## The First Boston Corporation

August 24, 1982



a binational entity jointly owned by Centrais Elétricas Brasileiras S.A.—CELBRAS and Administración Nacional de Electricidad—ANEA

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AGENT

THE FUJI BANK, LIMITED

SEPTEMBER, 1982

U.S.\$100,000,000 GUARANTEED ZERO COUPON NOTES  
DUE AUGUST 18, 1984

With Warrants to purchase U.S.\$200,000,000 Guaranteed Zero  
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### Citicorp Overseas Finance Corporation N.V.

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Citicorp Overseas Finance Corporation N.V. (the "Company") reported that as of August 18, 1982, 18,082 Warrants had been exercised to purchase U.S.\$18,082,000 of the Company's Guaranteed Zero Coupon Debentures due August 18, 1988.

By: Citibank, N.A. (CSI Dept.)  
September 2, 1982, London



U.S.\$250,000,000 Guaranteed Floating Rate Notes Due 1984

### Citicorp Overseas Finance Corporation N.V.

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In accordance with the terms and conditions of the abovementioned Notes and Agency Agreement dated as of March 2, 1981, between Citicorp Overseas Finance Corporation, N.V. and Citibank, N.A., notice is hereby given that the Rate of Interest has been fixed at 11 1/4 per annum and that the interest payable on the relevant Interest Payment Date, December 2, 1982, against Coupon No. 7 in respect of U.S.\$100,000 nominal of the Notes will be U.S\$27.30.

September 2, 1982

By: Citibank, N.A., London, Agent Bank



### EUROPEAN INVESTMENT BANK

Japanese Yen 15,000,000,000  
7 1/2 per cent Bonds due 1989

Notice is hereby given to Bondholders that during the twelve-month period commencing 1st September, 1981, Yen 1,200,000,000 principal amount of such Bonds have been purchased in order to satisfy the third purchase fund redemption.

As of 1st September, 1982 the principal amount of such Bonds remaining in circulation was Yen 11,400,000,000.

Luxembourg, 2nd September, 1982.

European Investment Bank.

### VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS  
PER 31 AUGUST 1982

	Today	INDEX	Year's High	Year's Low
US\$ Eurobonds	13.86	13.81	15.09	12.77
DM (Foreign Bond Issues)	8.95	8.97	9.06	8.92
HFL (Euro Notes)	8.86	8.85	10.21	8.35
Can\$ Eurobonds	16.50	16.55	17.30	16.60

This announcement appears as a matter of record only.



## Società Finanziamenti Idrocarburi SOFID S.p.A.

US \$ 12,000,000  
Medium-Term Loan

Managed by

Crédit Commercial de France

Provided by

The Bank of Nova Scotia Group  
Crédit Commercial de France (Sahrain Offshore Banking Unit)  
International Trade and Investment Bank S.A. (ITIB)  
National Westminster Bank Group

Agent

Crédit Commercial de France



July 15, 1982

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on August 30th 1982, U.S. \$51.20

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V.  
Herengracht 214, 1016 BS Amsterdam.



كوكا كولا

Companies and Markets

INTL. COMPANIES & FINANCE

# Kuwait in new moves to ease stock market crisis

THE KUWAIT Government is to encourage the creation of a KD 200m (\$221m) stock-trading company in a fresh attempt to ease the country's stock market crisis. Reuters reports from Kuwait.

Mr Jassem al-Marzouk, the Commerce Minister, said the Government has also ordered the central bank to exercise flexibility in extending credits to investors.

The minister said he was optimistic that the new steps, together with other measures announced last week, would help the market to overcome the present crisis.

Share prices have been falling for several months, partly on fears about the continuing war between Iraq and Iran.

Previous assistance measures have included a temporary ban on the setting up of so-called closed companies, which have a restricted shareholding, and the formation of a cheque clearing company, capitalised at about KD 300m which is expected to start operations soon.

Mr Al-Marzouk said Kuwaitis would have 51 per cent shareholding in the proposed stock-trading company, with the remainder owned by companies in other Gulf States.

The government plans, other, so far unspecified measures to provide further liquidity to the market.

In the declining market, many investors will be hard-pressed to honour the huge number of post-dated cheques which are

likely to mature over the next few months. Post-dated cheques outstanding on the official market, where 46 companies are listed, have been estimated at some KD 4bn (\$13.8bn), although analysts believe that final net indebtedness is expected to be far lower.

Mary Frings writes: Earlier Mr Al-Marzouk announced a two-year ban on deferred payment deals in "Gulf" shares.

These are shares in companies registered in Bahrain and the United Arab Emirates and not listed on the official Kuwaiti stock exchange, which is restricted to 100 per cent Kuwaiti-owned companies. They are traded on the unofficial exchange, the Souq al Manakh.

# Austrian rural bank to control Schoeller

By Paul Lendvai in Vienna

CONTROL over Austria's oldest and most prestigious private banker, Schoeller Bank, has been taken by Genossenschaftliche Zentralbank (GZB), the central institute of the rural credit co-operatives.

GZB will increase its stake in Schoeller Holding from 41 per cent to at least 66 per cent during the next few weeks. Since the holding company controls 90 per cent of the Schoeller Bank, GZB will gain control of the previously family-owned merchant bank.

The GZB move follows a run of severe losses at the Schoeller trading company, which is also owned by the Schoeller family. It is understood that the family will receive at least Sch 80m (\$4.6m) for the shares it is to sell in the holding company.

The takeover of the holding company and thus the bank by GZB in no way reflects on recent trading at the bank which has had what is described as "a very satisfactory first half-year." GZB indicates that there will be no change in the management and policy of the merchant bank.

GZB is the umbrella organisation of the rural credit co-operatives which, combined account for 17.4 per cent of direct lending in Austria and 21.3 per cent of banking deposits.

In recent years GZB has expanded both at home and abroad, including setting up of a representative office in Hong Kong. Schoeller Bank has for some time served GZB as its merchant banking arm.

Following the death of the previous director general of the bank, Dr Fritsch Schoeller, the takeover move puts an effective end to the so-called Schoeller era in Austrian banking.

# Yokogawa to link with Hokushin

BY YOKO SHIBATA IN TOKYO

YOKOGAWA Electric Works, Japan's largest manufacturer of industrial process control equipment, and Hokushin Electric Works, the third largest concern in the same field, will merge in April next year on the basis of one Hokushin share to each 0.35 of a Yokogawa share.

The new company will be called Yokogawa Hokushin Electric Corporation.

A steering committee has been set up to discuss details of the merger through which the companies hope to regain international competitiveness by more efficient use of capital and research and development capabilities.

Japan's industrial process control equipment industry has been dominated by Yokogawa, Yamatake-Honeywell (50 per cent owned by Honeywell of the U.S.) and Hokushin, but the

main emphasis of the industry has shifted to digital systems requiring technologies such as computers, optical fibres and sensors. This has allowed the integrated electrical groups, such as Hitachi, Toshiba, Mitsubishi and Fuji, a foothold in process control.

Yokogawa has successfully diversified into medical equipment through a joint venture with General Electric of the U.S. and into office automation equipment such as word processors and graphic plotters. However, the main interest of the company has remained process control equipment. This accounted for 66 per cent of 1981-82 turnover which totalled ¥33.93bn (\$240m).

Hokushin with sales of ¥396bn in 1981-82, has its major markets in the oil and petrochemical and steel industries, and has been hit hard by competition from integrated electrical groups. It

shows much promise in the growing field of aeronautical instruments for Japanese Defence Agency, but has been slow to diversify otherwise. As much as 75 per cent of turnover still comes from industrial processing control equipment.

On completion of the merger, the companies' joint market share of the process control equipment industry would be some 26 per cent and this would not exceed anti-monopoly law requirements.

Yokogawa's customers are different from those of Hokushin and the merger is expected to be considerably effective. In the current year to March 1983, Yokogawa expects sales to reach ¥90bn and sales of ¥40bn are projected for Hokushin. At the year end Kokogawa's capital stood at ¥5.89bn and total assets at ¥82.77bn. Hokushin's capital was ¥3.59bn and its assets totalled ¥42.24bn.

# SINGAPORE RESULTS

## Overseas Chinese Banking ahead midway

BY GEORGIE LEE IN SINGAPORE

THE OVERSEAS Chinese Banking Corporation (OCBC), has registered a 10.6 per cent increase in group profits after providing for taxation, diminution in value of assets, and allocations to inter-reserves, to \$580.1m (US\$226m) for the half year ended June.

Net profits of the parent bank itself expanded by 26.3 per cent to \$242.8m. The gross interim dividend is 5 per cent.

OCBC's growth rate was higher than the 4.1 per cent improvement reported by the

United Overseas Bank, but lower than the 25.6 per cent rise chalked up by the Overseas Union Bank and the 40.5 per cent increase achieved by the Development Bank of Singapore.

● National Iron and Steel Mills, Singapore's only steel mill, has reported a 77.8 per cent rise in operating profits to \$24.4m (US\$11.3m) for the half year to June, despite the depressed steel market. Turnover advanced by 12.7 per cent to \$8174.8m.

Pre-tax profits were 64 per cent higher at \$827m including investment and interest income of \$83.4m and after deducting interest expenses of \$8850,000. Tax absorbed \$310.7m, an increase of 64 per cent and after minority interests net profits were up 62 per cent to \$815.9m.

National Iron attributed the improvement to the buoyant construction sector in Singapore, continuing cost-saving measures, and, to some extent, a softening in raw material prices.

The group does not expect this performance to be repeated in the second half of the year because of severe competition but it has projected higher earnings for the whole of 1982 compared with 1981.

● THE SINGAPORE property company, Malayan Credit, has reported a 49 per cent increase in pre-tax profits to \$86.78m for the year to March. Post-tax profits were 30 per cent higher at \$83.96m. The gross dividend is 6 per cent.

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE August 25, 1982

**\$150,000,000**

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This announcement appears as a matter of record only August 1982



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The following have agreed to purchase or procure purchasers for the Notes:

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Al-Mal Group  
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The Bank of Tokyo International Limited  
Kuwait Foreign Trading Contracting & Investment Co., (S.A.K.)  
National Bank of Abu Dhabi  
Arab Bank for Investment and Foreign Trade (ARBIFT), Abu Dhabi

European Banking Company Limited  
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The 4,000 Notes of U.S. \$10,000 each, constituting the above issue have been admitted to the Official List of The Stock Exchange, subject only to the issue of the temporary global Note.

Interest will be payable semi-annually in March and September, the first such payment being due in March, 1983.

Particulars relating to Bank für Arbeit und Wirtschaft Aktiengesellschaft and the Notes are available from Exel Statistical Services Limited and may be obtained during normal business hours (Saturdays excepted) up to and including 17th September, 1982 from:-

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2nd September, 1982

This announcement appears as a matter of record only

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Agent  
Bank of Tokyo International Limited



WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Table of New York stock market data including company names, stock prices, and market indices.

STOCK

Table of international stock market data for various countries and regions.

Wall Street up 1.38 by 1pm

PRICES rose higher in early trading with the Dow Jones Industrial Average continuing above the 900 level. By 1 pm the Average was up 1.38 at 902.69.

The New York Stock Exchange All Common Index eased 0.18 to 588.38. Volume was a brisk 65.99 million shares.

Analysts said there was concern about a short-term upturn in interest rates but that investors were still confident about improvement in the economy.

They said Tuesday's announcement of rises in leading economic indicators helped the market push ahead before investors began taking profits.

Analysts said there might be sell-off in the market but that it was counteracted by individuals buying.

Holiday Inns, the most active issue with over 1.5m shares traded, was off \$3.00. Blocks of 70,000 and 80,000 shares were traded at \$30.

Marriott, which is locked in a takeover struggle with Bendix, was also active, and off \$2 at \$57.50.

América Hess, which has expressed an interest in buying part of Cities Service's business, is up \$2 to \$24 in active trading.

The American SE Market Volume Index gained 0.54 to 230.36. Volume 3.8m (5.5m).

Canada Toronto stocks were higher at midday but weakness on Wall Street checked the early advance.

The composite index was up 2.5 at 1,622.1 on volume of 4.5m shares. Advances led declines 236 to 140.

Metal, Gold and Oil issues were the main papers. Real Estate and Financial stocks remained higher.

Closing prices for North America were not available for this edition.

Tokyo

Prices gained moderate ground, led by international popular and enlivened by the rise on Wall Street. The market average rose 29.17 to 1,122.55, but trading was generally light.

The Tokyo Stock Exchange Index added 2.82 at 532.10. Light Electricals rose sharply after the announcement of plans to start marketing digital audio discs and players from next month.

Down Mining added Y31 to Y408 on heavy volume of 21.8m shares. After the announcement of a discovery of mineral deposits over which it has rights in the north of Honshu.

Shares closed broadly higher in Frankfurt as the market recovery stretched into a second day. The Commerzbank index added 3.8 to 677.3. Brokers attributed the gains to buying by domestic institutions and some bargain hunting by foreign investors.

The recovery was led by auto stocks, particularly Daimler-Benz and BMW, they said. Trading was described as active, especially early in the session.

After a mixed and slow opening, bond prices finished higher because Bundesbank called for interest rate tenders on a new securities repurchase agreement starting at a minimum of 7.5 per cent.

The 28-day securities rate, which has been allocated today, will replace DM 6.5bn in similar existing agreements coming due tomorrow.

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Switzerland

Prices were mixed in a markedly active trading with bullish and bearish factors in balance, dealers said.

The CAC General Index eased 0.7 to 1,005. Banks, Foods, Cars, Shoes and Electricals were mixed. Portfolios were steady and Rubbers and Metals slightly easier.

Construction, Engineering and Oil fell. In Portfolios, Schneider fell FF 5 to FF 105.5, while in Foods, BSN declined FF 20 to FF 1420.

In Engineering, Demet fell FF 30 to FF 1,600, while in Oil, Elf Amulinas lost FF 22 to FF 105.5.

International sector advanced, led by Royal Dutch/Shell and Unilever. Banks were steady to modestly higher, and in Insurance, National-Nederlanden was firm as first half results showed profits up.

Amsterdam Dutch stocks closed mostly firmer in a moderate session. The ANP-CBS General Index was up 0.5 at 56.9 and gains led losses by 99 to 50.

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Indices

Table of various market indices including Dow Jones, Standard and Poors, and regional indices.

NEW YORK

Table of New York stock market data including company names, stock prices, and market indices.

STOCK

Table of international stock market data for various countries and regions.

Wall Street up 1.38 by 1pm

Table of Wall Street stock market data including company names, stock prices, and market indices.



Equity investors warm to Wall St boom and 30-share index rises nearly 9 points—Gilts resume recent rise

Account Dealing Dates... First Declara. Last Account Dealings... "New-time" dealings may take place from 3.30 am two business days earlier.

Of the sectors, Foods were particularly noteworthy following recent investment recommendations, while Oils continued to benefit from the current strength of U.S. Oils.

Measuring the overall trend of leading industrial stocks, the FT Industrial 100 share index was 3.5 higher at 10.00 am and progressively extended its rise to close 8.9 up at the day's best of 881.6.

than anticipated and hopes of a trading recovery took the shares up 6 to 65p. Courts Furnishers again responded to a broker's bullish circular, the "A" closing 5 to the good at 88p.

Investment support prompted smart gains among Electrical dealers, and although a slightly easier tone was discernible after the official close, most still retained useful rises.

Selected Bond issues met with revived support. Associated Dairies improving 4 to 146p and J. Sainsbury 5 to 370p.

Johnson Group 6 dealer at 172p. BET up 5 at 187p, encountered scattered demand ahead of today's preliminary statement.

Interest in leading Properties faded and Land Securities shed 4 to 231p, as did M&P, to 181p. Among occasional movements in secondary issues, Parkside Holdings fell a couple of pence to a 1982 low of 25p.

Money brokers were again popular among Financials. Mercantile House, a steadily rising market since the initial dip, pointing response to the recent circular and hopes that the final dividend will be maintained.

FINANCIAL TIMES STOCK INDICES table with columns for Sept, Aug, July, June, May, April, and Year ago. Includes Government Secs, Fixed Interest, Industrial Ord., etc.

HIGHS AND LOWS table with columns for 1982, Since Completion, and S.E. ACTIVITY. Lists various stock categories and their price ranges.

Heelamat better... Leading Retailers displayed some good gains. Gussies "A" closed 13 up at 533p.

NEW HIGHS AND LOWS FOR 1982 table with columns for NEW HIGHS (89) and NEW LOWS (13). Lists various stock categories and their prices.

FT-ACTUARIES SHARE INDICES table with columns for EQUITY GROUPS & SUB-SECTIONS and FIXED INTEREST. Lists various stock categories and their performance.

NEW HIGHS AND LOWS FOR 1982 table with columns for NEW HIGHS (89) and NEW LOWS (13). Lists various stock categories and their prices.

FIXED INTEREST table with columns for PRICE TRENDS and AVERAGE GROSS REDEMPTION YIELDS. Lists various interest rates and yields.

RISES AND FALLS YESTERDAY table with columns for RISES and FALLS. Lists various stock categories and their price changes.

RECENT ISSUES

EQUITIES table with columns for Issue Price, High, Low, and Stock. Lists various equity issues and their prices.

FIXED INTEREST STOCKS table with columns for Issue Price, High, Low, and Stock. Lists various fixed interest stock issues and their prices.

"RIGHTS" OFFERS table with columns for Issue Price, High, Low, and Stock. Lists various rights offers and their prices.

ACTIVE STOCKS table with columns for Stock, Closing Price, and Day's Change. Lists various active stocks and their performance.

OPTIONS table with columns for Deal, Last, and For. Lists various options and their prices.

TUESDAY'S ACTIVE STOCKS table with columns for Stock, Closing Price, and Day's Change. Lists various active stocks and their performance.

COMPANY NOTICES

ESSELTE AKTIEBOLAG NOTICE OF ANNUAL GENERAL MEETING. Notice is given to the shareholders of Esselte Aktiebolag that the Annual General Meeting of the Company will be held at 4.30 p.m. on Thursday, September 16th, 1982.

REPUBLIQUE OF COSTA RICA LOAN

REPUBLIC OF COSTA RICA LOAN Floating Rate Bonds April 1978-1985 of US\$1,000 each. NUMERICAL LIST: 1) of the series including the 2220 bonds drawn at the fourth drawing of the series...

CLUBS

SVS has notified the others because of a change of name. The club has been renamed from SVS to SVS (S) and the new name will be used from the start of the 1982-83 season.

ART GALLERIES

LEWIS GALLERY, 30, Broad St., W.C.1. Exhibitions: "The Art of the 1980s" and "The Art of the 1970s".

PUBLIC NOTICES

THE FOREIGN COMPENSATION (CZECHOSLOVAKIA) ORDER 1982 (S.I. 1982 No. 1073). Attention is drawn to the above mentioned Order, a copy of which may be obtained from Her Majesty's Stationery Office...







*Handwritten signature or logo*

INSURANCES

Table listing various insurance companies and their details, including names like 'Allstate Life Insurance Co. Ltd.', 'Aberdeen Life Assurance Ltd.', and 'Alliance Life Assurance Co. Ltd.'.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table of insurance and overseas managed funds, organized into columns for different fund categories and providers. Includes fund names like 'Alliance Investment Funds', 'Alliance Overseas Funds', and 'Alliance UK Funds'.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including fund names, providers, and performance metrics. Funds listed include 'Alliance Overseas Funds', 'Alliance UK Funds', and 'Alliance Investment Funds'.

Table listing various financial services, investment funds, and insurance products, including names like 'Alliance Investment Funds', 'Alliance Overseas Funds', and 'Alliance UK Funds'.

NOTES

Notes section providing additional information and disclaimers regarding the data presented in the tables.



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

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LOANS—Continued. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

BANKS & H.P.—Cont. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

CHEMICALS, PLASTICS—Cont. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

ELECTRICALS—Continued. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

ENGINEERING MACHINE TOOLS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

BRITISH FUNDS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

Building Societies. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

Foreign Bonds & Rails. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

DRAPERY AND STORES. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

HOTELS AND CATERERS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

INDUSTRIALS (Miscel.). Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

Shorts (Lives up to Five Years). Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

AMERICANS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

BEERS, WINES AND SPIRITS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

BUILDING INDUSTRY, TIMBER AND ROADS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

ELECTRICALS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

FOOD, GROCERIES, ETC. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

Over Fifteen Years. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

UNDATED. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

INDEX-LINKED & VARIABLE RATE. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

INT. BANK AND O'NEALS GOVT. STERLING ISSUES. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

CORPORATION LOANS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

CANADIANS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

COMMONWEALTH AND AFRICAN LOANS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

BANKS AND HIRE PURCHASE. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

LOANS Public Board and Ind. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

CHEMICALS, PLASTICS. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

FOOD, GROCERIES, ETC. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

FOOD, GROCERIES, ETC. Table with columns: Stock, Price, % Chg, Bid, Offer, Yield, etc.

Now read the FT at your leisure. You don't have to worry about what is happening in the world when you are on holiday as the Financial Times is on sale in holiday resorts throughout Europe. Includes logo and contact information.

Handwritten text at the bottom of the page.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, change, and volume.

LEISURE—Continued

Table of leisure and entertainment stocks including British Sky Broadcasting and British Telecommunications.

PROPERTY—Continued

Table of property and real estate stocks including British Land and National Westminster.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including British Venture and British Venture Income.

OIL AND GAS—Continued

Table of oil and gas stocks including British Petroleum and Shell.

Saitama Bank advertisement with logo and contact information for Tokyo, London, and other branches.

MINES—Continued

Table of mining stocks including Anglo-American and Anglo-Asian.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including Rover and British Aerospace.

SHIPPING

Table of shipping stocks including British Overseas Airways and British Airports.

SHOES AND LEATHER

Table of shoes and leather stocks including British Shoe and Leather.

SOUTH AFRICANS

Table of South African stocks including Anglo-Asian and Anglo-American.

TEXTILES

Table of textile stocks including British Textiles.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including News International.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including News International.

PROPERTY

Table of property stocks including British Land.

INSURANCES

Table of insurance stocks including British Insurance.

Garages and Distributors

Table of garage and distributor stocks including British Motor.

COMPONENTS

Table of component stocks including British Components.

TOBACCO

Table of tobacco stocks including British Tobacco.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including British Trusts.

INVESTMENT TRUSTS

Table of investment trusts including British Investment.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including British Finance.

OIL AND GAS

Table of oil and gas stocks including British Oil.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including British Diamonds.

OVERSEAS TRADERS

Table of overseas trader stocks including British Overseas.

PLANTATIONS

Table of plantation stocks including British Plantations.

TEAS

Table of tea stocks including British Tea.

MINES

Table of mining stocks including British Mines.

EASTERN RAND

Table of Eastern Rand mining stocks.

FAR WEST RAND

Table of Far West Rand mining stocks.

D.F.S.

Table of D.F.S. stocks including British D.F.S.

FINANCE

Table of finance stocks including British Finance.

NOTES

Notes section providing detailed information about various financial instruments and company announcements.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks including British Regional.

OPTIONS

Table of options including British Options.

3-month Call Rates

Table of 3-month call rates including British Call Rates.



Tarmac Construction Building Management Tel 0902 22431

SOLIDARITY DEMONSTRATIONS LED TO MORE THAN 1,000 ARRESTS

Poland admits two killed in firing

BY CHRISTOPHER BOBINSKI IN WARSAW

TWO DEMONSTRATORS were killed and 12 injured, three of them seriously, by Polish security forces firing into a crowd at Lubin in Western Poland on Tuesday, the Government reported yesterday.

The trouble in Lubin started on Tuesday afternoon when the security forces, of whom 11 were injured, fired at a crowd which had been throwing stones and petrol bombs.

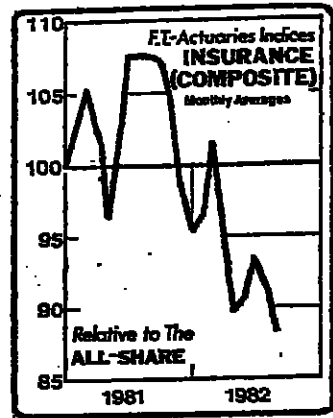
Zbigniew Romaszewski, an industrial member of the underground leadership and a forceful proponent of street demonstrations and a general strike in the autumn weakens the radical wing in the leadership.

THE LEX COLUMN

Composites look to their claims

September got off to a sleepy start in the gilt-edged market, with little for brokers to do except advise their clients to prepare to exercise their conversion option on Exchequer 12 per cent 1985, and work out how much money they made in August.

Index rose 8.9 to 581.6



the last two years, closing big loss makers such as Gloucester Foundry. But the big surprise is that, in sharp contrast to the current gloom emanating from the CBI, Babcock has found encouraging signs of a climb out of the recession.

Composites

In spite of broadly similar experience worldwide in terms of rates and premium income growth, Guardian Royal Exchange and Sun Alliance have announced sharply divergent first half figures at the pre-tax level.

forced down rates substantially in recent months. More generally, a light period for claims a year ago has been superseded by a period in which they have been arriving in bucketfuls.

Money markets

The collection of petroleum revenue tax used to cause a fortnight's chronic indigestion in Lombard Street, but now it slips down as easily as a Bank of England cucumber sandwich.

This spreading of the payment over a couple of days, combined with a bunching of government disbursements and a fall in the note issue after the Bank Holiday weekend, kept the credit shortage yesterday to a very manageable £700m.

In contrast to the overnight rate, period interbank money has now edged up by some 10 points from its low point early last week.

Babcock

Babcock's 140 per cent increase in half year profits was greeted with a palpable sigh of relief by the market yesterday, although at £8.3m pre-tax the company is still generating only about half its earnings of three years ago.

Swiss banks to aid U.S. insider probes

BY PAUL TAYLOR IN NEW YORK AND JOHN WICKS IN ZURICH

THE U.S. and Swiss Governments have signed an agreement which will allow U.S. officials to access Swiss bank accounts during insider dealing investigations.

about customer accounts only when clients were suspected of illegal actions in both the U.S. and Switzerland.

"extremely beneficial" to SEC investigators in their drive against insider dealing.

Swiss bankers welcomed the agreement. Following a number of embarrassing incidents involving Swiss banks last year, they have been keen on finding ways to prevent their involvement in cases of insider dealing.

Thatcher 'hurt' by U.S. action on pipeline

By Paul Chesswright

MRS THATCHER, the Prime Minister yesterday introduced personal chagrin into the UK Government's quarrel with the U.S. over the supply of equipment for the controversial Siberia-West Europe gas pipeline.

France keeps clamp on spending

BY DAVID HOUSEGO IN PARIS

FRANCE'S Socialist Administration yesterday announced a restrictive budget for 1983 involving tight control of public expenditure in line with the Government's priority of bringing down inflation.

The deficit is to be held to FFr 118bn (£9.8bn) — the equivalent of 3 per cent of gross national product, the same ceiling as for 1982.

Industry is one of the few sectors to benefit from additional allocations of funds, reflecting the Government's priority of modernising the manufacturing sector.

Five British Sugar directors to resign

By Dominic Lawson

FIVE British Sugar directors are about to resign, the company said yesterday. They include Mr John Beckett, chief executive, and Sir Gerald Thorley, non-executive chairman.

Losses soar for top insurers

BY ERIC SHORT

FURTHER EVIDENCE of the many problems facing the UK insurance industry came yesterday when three more major insurance companies published poor half year results.

Sun Alliance had its profits slashed from £23.2m to £7.7m. Phoenix, with £18.9m a year before, was also down to £7.7m.

insurance markets, especially the U.S. and UK, is leading to premium rate cutting, which in turn means higher claim costs, higher expenses, and lower growth in investment income.

Mexico

property in the U.S. worth \$25bn.

UK surplus Continued from Page 1

disruption caused by last year's civil servants' strike.

Howden Continued from Page 1

Howden income and other financial statements prior to the acquisition.

Weather

UK TODAY MAINLY dry with showers and bright intervals. Temperatures near normal.

Table with columns for location, temperature, and weather conditions. Includes entries for Alicante, Algiers, Amman, etc.

Advertisement for M4 Swindon Enterprise. Text: 'ARE YOU AT THE WRONG END OF THE CORRIDOR? It's not surprising that so many companies are relocating along the Western Corridor. It's even less surprising that so many have picked Swindon. It's the place where overheads reduce and efficiency increases.'

Handwritten Arabic text at the bottom of the page.